



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

TUESDAY 12 September 2023

Notice is hereby given that a meeting of the Audit and Risk Management Committee of the Eastern Waste Management Authority will be held at the **Boardroom, Thomson Geer, 7/19 Gouger Street, Adelaide**, on Tuesday 12 September 2023, commencing at 8:00am.

A handwritten signature in blue ink, appearing to read "Rob Gregory", with a long horizontal flourish extending to the right.

**ROB GREGORY
GENERAL MANAGER**

Acknowledgement of Country

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

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

EASTERN WASTE MANAGEMENT AUTHORITY

AGENDA AUDIT AND RISK MANAGEMENT COMMITTEE

Meeting to be held on Tuesday 12 September 2023
commencing at 8:00am, in the Boardroom, Thomson Geer,
7/19 Gouger Street, Adelaide

1. **PRESENT**
2. **ACKNOWLEDGEMENT OF COUNTRY**
3. **APOLOGIES**
4. **CONFLICTS OF INTEREST**
5. **CONFIRMATION OF THE MINUTES:**
 - 5.1 *MEETING HELD 13 June 2023*
6. **MATTERS ARISING FROM THE MINUTES**
7. **QUESTIONS WITHOUT NOTICE**
8. **PRESENTATIONS**
 - 8.1 *DEPOT HOUSING REVIEW PRESENTATION (Jeff Tate, Tate Consulting)*
9. **REPORTS**
 - 9.1 *AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023pg.7*
 - 9.2 *REGULATION 10 FINANCIAL REPORTpg.40*
 - 9.3 *ANNUAL REPORT.....pg.46*
 - 9.4 *SMALL ELECTRICAL ITEMS SUBMISSIONpg.47*
 - 9.5 *ANNUAL CALENDAR.....pg.57*
 - 9.6 *FOGO UPDATE (VERBAL)*
10. **CONFIDENTIAL REPORTS**
 - 10.1 *STAFF MATTERpg.59*
10. **OTHER BUSINESS**
11. **NEXT MEETING OF THE AUDIT COMMITTEE**

The next Audit and Risk Management Committee Meeting is to be held on:
Tuesday 14 November 2023, commencing 8:00am, in the Boardroom, Thomson Geer, 7/19
Gouger Street, Adelaide
12. **CLOSURE OF MEETING**



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

held on Tuesday 13 June 2023 in the Boardroom, Thomson Geer,
7/19 Gouger Street, Adelaide

Meeting opened at 8.01am

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.

Mr Bell declared that he was recently appointed to a Board related to aged care with Flinders University.

5. CONFIRMATION OF THE MINUTES – 26 April 2023

Moved Ms Green that the Minutes of the previous meeting held on Tuesday 26 April 2023 be received and noted.

Seconded Ms Di Blasio

Carried

6. MATTERS ARISING FROM THE MINUTES

Nil.

7. QUESTIONS WITHOUT NOTICE

Nil.

8. PRESENTATIONS

Nil.

9. REPORTS

9.1 ANNUAL PLAN & BUDGET ENDORSEMENT

Moved Ms Di Blasio that the Committee recommends the draft 2023/24 Annual Plan and Budget, as presented in Attachment A, and as endorsed by all Member Councils, is presented to the Board for endorsement.

Seconded Ms Green

Carried

9.2 LONG TERM FINANCIAL PLAN

Moved Ms Di Blasio that the Committee notes the draft principles and assumptions presented within the draft Long Term Financial Plan, and recommends to the Board for endorsement.

Seconded Mr Bell

Carried

Mr Jovicevic left the meeting at 9.22am

Mr Gregory left the meeting at 9.22am

Mr Maywald left the meeting at 9.22am

Ms Vandermoer left the meeting at 9.22am

Ms Foy left the meeting at 9.22am

The Audit & Risk Committee held an in camera discussion.

Mr Gregory returned the meeting at 9.28am

Mr Maywald returned the meeting at 9.28am

Ms Vandermoer returned the meeting at 9.28am

Ms Foy returned the meeting at 9.28am

9.3 STRATEGIC RISK MANAGEMENT UPDATE

Moved Ms Green that the Committee notes the report.

Seconded Mr Bell

Carried

9.4 COMPLAINT HANDLING POLICY

Moved Ms Di Blasio that the Committee recommends that the Complaint Handling Policy, as presented in Attachment A, is endorsed for presentation to the East Waste Board.

Seconded Mr Bell

Carried

Ms Green left the meeting at 9.34am

9.5 BOARD AND AUDIT & RISK MANAGEMENT COMMITTEE PERFORMANCE EVALUATION FRAMEWORK

Moved Mr Bell that the Committee recommends that the draft Board and Audit & Risk Management Committee Performance Evaluation Framework, and Evaluation forms as amended in Attachment A & B, are presented to the Board for endorsement.

Seconded Ms Di Blasio

Carried

9.6 INVESTIGATION OF AUSTRALIAN CARBON CREDIT UNITS REPORTS

Moved Mr Bell that the Committee notes and receives the Investigation of Australian Carbon Credit Units Report.

Seconded Ms Di Blasio

Carried

9.7 ANNUAL REPORTING CALENDAR

Moved Mr Bell that the Committee notes the East Waste Annual Reporting Calendar, as presented in Attachment A.

Seconded Ms Di Blasio

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 12 September 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 9.51am

PRESIDING MEMBER

DATE

9.1: AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

REPORT AUTHOR:	Coordinator Finance & Strategic Projects
ATTACHMENTS:	A: Draft Financial Statements Year Ending 30 June 2023
	B: Audit Findings Report (Bentleys)
	C: Bentleys Certification of Auditor Independence
	D: Draft Management Representation Letter
	E: Draft Independent Auditor's Report

Purpose of the Report

To provide the Committee with an opportunity to review and comment on the prepared Financial Statements for year ending 30 June 2023.

Background

At the meeting held 11 August 2022, the East Waste Board resolved:

2022/23 ANNUAL BUSINESS PLAN & BUDGET

Moved Cr Stock that the Board 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 Cr Ashby

Carried

Report

The draft Financial Statements (refer Attachment A) for financial year ending 30 June 2023 have been prepared by East Waste's appointed accountancy firm Dean Newbery and Partners in accordance with the model financial statements issued by the Local Government Association.

The statements have been reviewed by East Waste's external auditors Bentleys. Bentleys Audit Findings Report is provided (refer Attachment B) and a representative from Bentleys will attend the meeting to answer any Committee questions. For completeness and transparency, a copy of the signed Certification of the Auditor's Independence is provided for the Committee in Attachment C (refer Attachment C). The Committee will note, nothing of significance was raised through the interim audit process and no Management Letter issued. The end of year review was consistent with the interim findings, with no material matters raised.

The Auditors noted the depreciation of leasehold improvements extending beyond the term of the current lease expiration in 2024. As detailed in the Management Response (refer pg.5 of Attachment B), the approach taken is consistent with our Long-Term Financial Plan and if required an adjustment will be made following the Board's analysis of our current lease review. Furthermore, this is consistent with the depreciation of historical leasehold improvements.

The Financial Statements (refer Attachment A) show a year end net surplus of \$333K, which is an increase of \$178K to the original adopted budget. This surplus has been forecasted for some time, due predominately to lower than budgeted fuel costs, combined with a reduced depreciation expense given delay in fleet production & receipt. The surplus is lower than predicted at BR3 due to unexpected maintenance costs, higher than anticipated labour and a number of staff movements in the last quarter.

The significant cash increase held at the end of the FY23 period is due to a \$2.082million loan draw down that was not spent on truck purchases as anticipated. These funds are carried forward into the FY24 year and will be fully spent as intended (this is disclosed in Note 10 of the Audited statements). If the \$2.082 million had

been spent, East Waste would have actually recorded a reduction in cash at the end of the year of circa \$130,000.

The draft Management Representation Letter (refer Attachment D) prepared for Bentley's external auditors as part of the external audit completion process has been provided to Committee Members to note and to be aware of disclosures Management are making to the auditors in connection with the audit. Subject to no further changes or any adverse unforeseen events occurring before the financial statements are due to be signed off, the General Manager will sign the enclosed draft Management Representation Letter as presented in Attachment D and provide it to the auditors to enable them to issue to the Authority the auditor's report (refer Attachment E) for the 2022/23 financial year.

RECOMMENDATION

The Committee recommends:

- 1. That the draft FY2023 audited Financial Statements as presented in Attachment A and Management Representation Letter as presented in Attachment D, are recommended for presentation to the East Waste Board; and**
- 2. Notes the draft Independent Audit Findings Report as presented in Attachment B.**

EASTERN WASTE MANAGEMENT AUTHORITY INC

General Purpose Financial Report for the year ended 30 June 2023

Contents

	Page
Certification of Financial Statements	1
Primary Financial Statements	
Statement of Comprehensive Income	2
Statement of Financial Position	3
Statement of Changes in Equity	4
Statement of Cash Flows	5
Notes to the Financial Statements	6
EO Statement	
Audit Report	
Certificates of Audit Independence	
Audit Certificate of Audit Independence	

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EASTERN WASTE MANAGEMENT AUTHORITY INC

Annual Financial Statements for the financial year ended 30 June 2023

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 2023 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.

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Rob Gregory
Executive Officer

.....
Fraser Bell
Chairperson

Date:

EASTERN WASTE MANAGEMENT AUTHORITY INC

Statement of Comprehensive Income for the year ended 30 June 2023

		2023	2022
	Notes	\$'000	\$'000
Income			
User charges	2	21,188	16,579
Investment income	2	46	10
Grants, subsidies and contributions		-	81
Other	2	1,078	932
Total Income		<u>22,312</u>	<u>17,602</u>
Expenses			
Employee costs	3	7,476	6,386
Materials, contracts & other expenses	3	12,184	9,303
Finance costs	3	354	246
Depreciation & amortisation	3	2,108	2,043
Total Expenses		<u>22,122</u>	<u>17,978</u>
Operating Surplus		<u>190</u>	<u>(376)</u>
Asset disposal & fair value adjustments	4	143	7
Net Surplus		<u>333</u>	<u>(369)</u>
Other Comprehensive Income		-	-
Total Other Comprehensive Income		<u>-</u>	<u>-</u>
Total Comprehensive Income		<u>333</u>	<u>(369)</u>

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

EASTERN WASTE MANAGEMENT AUTHORITY INC

Statement of Financial Position as at 30 June 2023

		2023	2022
Assets	Notes	\$'000	\$'000
Current Assets			
Cash and cash equivalents	5	3,953	2,001
Trade & other receivables	5	746	935
Inventory		43	50
Total Current Assets		<u>4,742</u>	<u>2,986</u>
Non-current Assets			
Property, Plant & Equipment	6	9,510	8,542
Total Non-current Assets		<u>9,510</u>	<u>8,542</u>
Total Assets		<u>14,252</u>	<u>11,528</u>
Liabilities			
Current Liabilities			
Trade & Other Payables	7	1,266	1,436
Provisions	7	871	778
Borrowings	7	2,306	1,940
Total Current Liabilities		<u>4,443</u>	<u>4,154</u>
Non-current Liabilities			
Borrowings	7	8,490	6,410
Provisions	7	136	114
Total Non-current Liabilities		<u>8,626</u>	<u>6,524</u>
Total Liabilities		<u>13,069</u>	<u>10,678</u>
Net Assets		<u>1,183</u>	<u>850</u>
EQUITY			
Accumulated Surplus		1,183	850
Total Equity		<u>1,183</u>	<u>850</u>

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

EASTERN WASTE MANAGEMENT AUTHORITY INC

Statement of Changes in Equity for the year ended 30 June 2023

	Accumulated Surplus	Total Equity
	\$'000	\$'000
Balance at start of period - 1 July 2022	850	850
Net Surplus for Year	333	333
Other Comprehensive Income		
Contributed Equity	-	-
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2023	<u>1,183</u>	<u>1,183</u>
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	<u>850</u>	<u>850</u>

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

EASTERN WASTE MANAGEMENT AUTHORITY INC

Statement of Cash Flows for the year ended 30 June 2023

	Notes	2023 \$'000	2022 \$'000
Cash Flows from Operating Activities			
Operating receipts		22,455	17,400
Investment receipts		46	9
Employee costs		(7,361)	(6,245)
Materials, contracts & other expenses		(12,397)	(9,613)
Finance payments		(304)	(258)
Net cash provided by operating activities	8	2,439	1,293
Cash Flows from Investing Activities			
Sale of replaced assets	4	145	86
Expenditure on renewal/replacement of assets	6	(587)	(2,305)
Expenditure on new/upgraded assets	6	(2,484)	(244)
Net cash used in investing activities		(2,926)	(2,463)
Cash Flows from Financing Activities			
Proceeds from Borrowings		4,525	2,031
Repayments of Borrowings		(1,815)	(1,791)
Repayment of lease liabilities		(271)	(237)
Net cash provided by (used in) financing activities		2,439	3
Net Increase (Decrease) in cash held		1,952	(1,167)
Cash & cash equivalents at beginning of period	5	2,001	3,168
Cash & cash equivalents at end of period	5	3,953	2,001

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

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

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, The City of Unley and the Corporation of the Town of Walkerville.

The eight 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.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

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.

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.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

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.

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.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

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.

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 (10.5% in 2022/23; 10% in 2021/22). 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 2021/22) 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.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

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'.

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 of 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.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

	2023	2022
Notes	\$'000	\$'000
Note 2 - Income		
User Charges		
Waste Collection Income	15,607	12,662
Waste Processing Income	5,326	3,677
Administration	255	240
Member Council Waste Collection Rebate	-	-
	<u>21,188</u>	<u>16,579</u>
Investment Income		
Interest on investments		
Local Government Finance Authority	46	10
	<u>46</u>	<u>10</u>
Other Income		
Bin Supply	382	409
Replacement Bins	681	474
Sundry	15	49
	<u>1,078</u>	<u>932</u>
Note 3 - Expenses		
Employee Costs		
Salaries and Wages	5,615	5,115
Employee leave expense	114	93
Superannuation	508	443
Wages Casual Agency	1,017	500
Workers' Compensation Insurance	128	148
Other	94	87
Total Employee Costs	<u>7,476</u>	<u>6,386</u>
Number of FTE Employees as at reporting date	63	61

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EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

Note 3 - Expenses (cont.)

	Notes	2023 \$'000	2022 \$'000
Materials, Contracts & Other Expenses			
Auditor's Remuneration		11	9
Board Expenses		41	23
Waste Processing Costs		5,354	3,676
Electricity		10	4
Fuel, Gas & Oil		2,041	1,529
Legal Expenses		23	91
Maintenance		2,828	2,323
Parts, Accessories & Consumables		11	17
Printing, Stationery & Postage		33	41
Professional Services		552	487
Registration & Insurance - Trucks		462	299
Sundry		818	804
		12,184	9,303
Finance Costs			
Interest on Loans		338	224
Interest on Leases		16	22
		354	246
Depreciation & Amortisation			
Buildings & Other Structures	6	81	54
Plant, Machinery & Equipment	6	1,768	1,733
Right-of-use assets	6	259	256
		2,108	2,043
Note 4 - Asset Disposals			
Proceeds from disposal		145	86
Less: Carrying amount of assets sold		(2)	(79)
Gain (Loss) on disposal		143	7
Note 5 - Current Assets			
Cash & Cash Equivalents			
Cash on Hand and at Bank		3,724	1,818
Deposits at Call		229	183
		3,953	2,001
Trade & Other Receivables			
Debtors - general		718	901
Accrued Income		28	34
		746	935

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

	2023 \$'000	2022 \$'000
Note 6 - Property, Plant & Equipment		
Buildings & Other Structures - At Cost	617	569
Accumulated Depreciation	(212)	(146)
	<u>405</u>	<u>423</u>
Plant, Machinery & Equipment - At Cost	19,747	18,929
Accumulated Depreciation	(10,966)	(11,386)
	<u>8,781</u>	<u>7,543</u>
Right-of-use-assets	1,346	1,339
Accumulated Depreciation	(1,022)	(763)
	<u>324</u>	<u>576</u>
Total Property, Plant & Equipment	<u><u>9,510</u></u>	<u><u>8,542</u></u>

	2022 \$'000						2023 \$'000
	Carrying Value	Additions		Disposals	Depreciation	Adjustment	Carrying Value
		New/Upgrade	Renewal				
Buildings & Other Structures	423	65	-	(2)	(81)	-	405
Plant, Machinery & Equipment	7,543	2,419	587	-	(1,768)	-	8,781
Right-of-use-asset	576	-	-	-	(259)	7	324
	<u>8,542</u>	<u>2,484</u>	<u>587</u>	<u>(2)</u>	<u>(2,108)</u>	<u>7</u>	<u>9,510</u>
2022 (\$'000)	8,098	244	2,304	(79)	(2,043)	18	8,542

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

	2023		2022	
	\$'000		\$'000	
Note 7 - Liabilities				
	Current	Non-current	Current	Non-current
Trade & Other Payables				
Goods & Services	1,111	-	1,047	-
Payments received in advance	80	-	80	-
Accrued expenses - other	75	-	309	-
	1,266	-	1,436	-
Borrowings				
Loans	2,017	8,413	1,673	6,050
Lease Liabilities	289	77	267	360
	2,306	8,490	1,940	6,410
Provisions				
Annual Leave	447	-	388	-
Rostered-Day-Off (RDO)	65	-	25	-
Long Service Leave	359	136	365	114
	871	136	778	114

Note 8 - Cash Flow Reconciliation

	2023	2022
	\$'000	\$'000
Total cash & equivalent assets	3,953	2,001
Balances per Cash Flow Statement	3,953	2,001

(a) Reconciliation of Change in Net Assets to Cash Flows from Operating Activities

Net Surplus (Deficit)	333	(369)
Non-cash items in Statement of Comprehensive Income		
Depreciation	2,108	2,043
Net increase (decrease) in employee benefits	113	119
Net increase (decrease) accrued expenses	234	(12)
(Gain) / Loss on Disposal	(143)	(7)
Lease liability adjustment	7	(18)
	2,652	1,756
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	189	(235)
Net increase (decrease) in trade & other payables	(404)	(242)
Net increase (decrease) in other provisions	2	14
Net Cash provided by (or used in) operations	2,439	1,293

(b) Financing Arrangements

Corporate Credit Cards	15	15
Cash Advance Debenture Facility - LGFA	1,000	1,000

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

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 4.3% (2022: 1.05%). 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 - Creditors and Accruals 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% - 5.65% (2022: 1.7% - 5.35%).
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.

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.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

Note 9 (cont) - Financial Instruments

Liquidity Analysis

2023	Maturity			Non-interest bearing	Total
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
Financial Assets	\$000	\$000	\$000	\$000	\$000
Cash & Equivalents	3,953	-	-	-	3,953
Receivables	-	-	-	718	718
Total	3,953	-	-	718	4,671

Financial Liabilities

Payables	-	-	-	1,111	1,111
Borrowings	2,017	6,998	1,781	-	10,796
Total	2,017	6,998	1,781	1,111	11,907

2022	Maturity			Non-interest bearing	Total
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
Financial Assets	\$000	\$000	\$000	\$000	\$000
Cash & Equivalents	2,001	-	-	-	2,001
Receivables	-	-	-	901	901
Total	2,001	-	-	901	2,902

Financial Liabilities

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

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

Note 10 - Capital Expenditure Commitments

The Authority has capital expenditure commitments totalling an estimated \$2.082 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 2022	576	576
Additions of right-of-use-assets	-	-
Depreciation Charge	(259)	(259)
Adjustment to right-of-use-assets	7	7
At 30 June 2023	<u>324</u>	<u>324</u>

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

At 1 July 2022	627
Additions	-
Accretion of interest	16
Payments	(269)
Adjustment to lease liability	7
At 30 June 2023	<u>365</u>
Current	289
Non-Current	76

Note 12 - Post Balance Date Events

There were no events after reporting date that occurred that require to be reported.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2023

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, 5 persons were paid the following total compensation:

	2023 \$'000	2022 \$'000
Salaries, allowances & other short term benefits	599	483
Total	599	483

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	3,591	81	Provision of kerbside waste collection and hardwaste collection services
City of Burnside	3,491	97	Provision of kerbside waste collection and hardwaste collection services
City of Mitcham	3,401	166	Provision of kerbside waste collection and hardwaste collection services
City of Norwood, Payneham & St Peters	3,233	80	Provision of kerbside waste collection and hardwaste collection services
City of Prospect	1,590	100	Provision of kerbside waste collection and hardwaste collection services
City of Unley	3,082	104	Provision of kerbside waste collection and hardwaste collection services
Corporation of the City of Campbelltown	2,894	27	Provision of kerbside waste collection and hardwaste collection services
Corporation of the Town of Walkerville	600	21	Provision of kerbside waste collection and hardwaste collection services

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.

Where you want to be.



Eastern Waste Management Authority Inc.

Report of Audit Findings

August 2023

David Francis, Partner
Level 5, 63 Pirie St, Adelaide SA 5000
Telephone +61 8 8372 7900
dfrancis@adel.bentleys.com.au | bentleys.com.au

➤ Advisors

➤ Accountants

➤ Auditors

Executive summary

We are providing our report on the audit of Eastern Waste Management Authority Inc. for the year ending 30 June 2023.

Dear Ms Hinchey

We have conducted our audit of Eastern Waste Management Authority Inc. for the year ending 30 June 2023 and report to management and those charged with governance the following matters for information purposes and for consideration of implementation or corrective action.

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

No material matters have been raised, and the following matters reported to management are immaterial and will not impact on our opinion of the control environment:

1. Depreciation of leasehold improvements

We intend to issue an unmodified audit opinion over the financial report of Eastern Waste Management Authority Inc.

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

Sincerely,



David Francis

Partner

+61 8 8372 7900

dfrancis@adel.bentleys.com.au

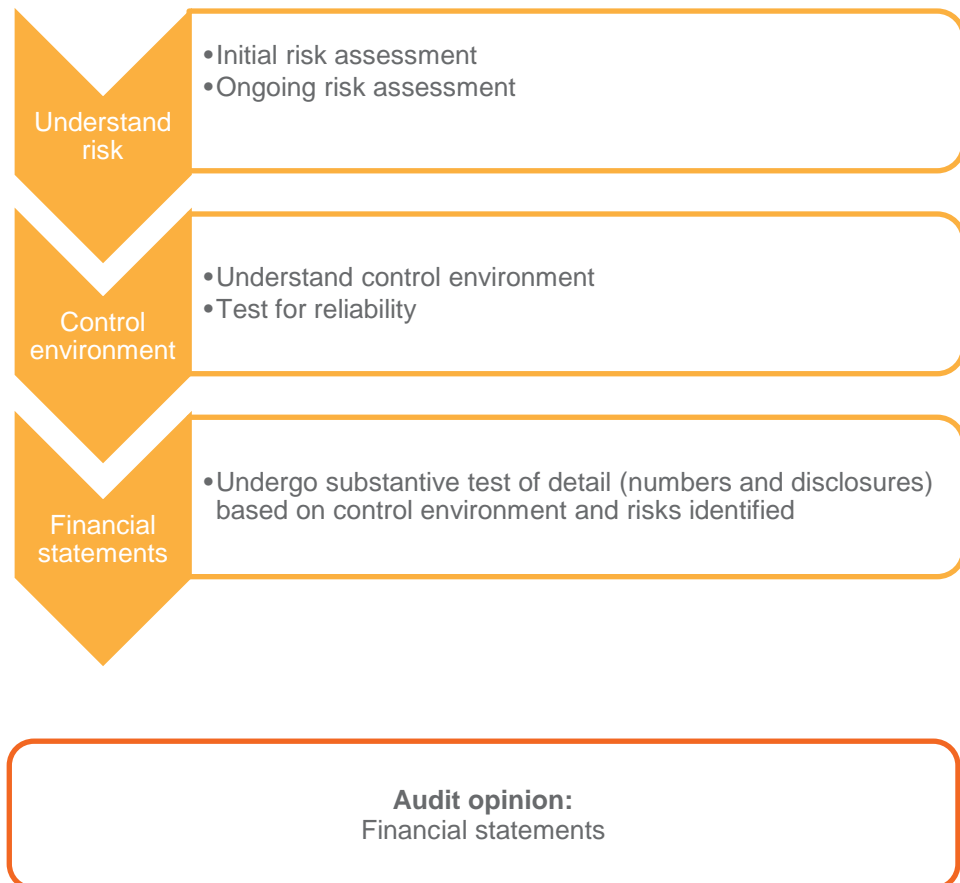


Audit approach

Helping businesses achieve their goals and aspirations.

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

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



Identified audit risks

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

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

Risks identified at planning

Area

Accrued rebate to members

Risk

There is a risk as the rebates (based on this year profit) to the Constituent Councils will not be accounted for correctly.

Audit Approach

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

Outcome

There were no rebates accruals required for this financial year.



Financial statement matters for the year

We bring the following financial statement matters to your attention in relation to your financial statements.

Issue

1. Depreciation of leasehold improvements

Observation

Leasehold improvements are being depreciated for a period that extends beyond when the lease is due to expire.

Requirement

Leasehold improvements should be depreciated over the life of the lease, as this is when control over the asset exists.

Significance

Given the value of leasehold improvements and the rate of depreciation, we do not believe this matter is material and therefore will not impact our audit opinion over the financial report.

We understand that the Board is currently reviewing the lease and future options available. We also acknowledge that some of the leasehold improvements have been made on the Authorities buildings, and there may be an option to take the buildings to the new location should a relocation occur.

If the property lease is not renewed, the leasehold improvements that cannot be removed will need to be fully depreciated or written down in the next two financial years.

Recommendation

The Board should determine what the future movements of the Authority will be, and depreciate the leasehold improvements accordingly.

Management response

Management notes and agrees with the Auditors view.

For consistency and transparency, East Waste has depreciated the leasehold improvements in line with our adopted Long Term Financial Plan, which assumes a business as usual approach.

The outcome of the Depot Housing Review that is currently being undertaken will be a Board consideration and in the event East Waste chose to move or wasn't offered a lease renewal, the leasehold improvements would be repurposed or written off at this time.



Matters for those charged with governance

Fraud

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

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

Legal compliance

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

Financial reporting and accounting policies

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

Going concern

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

Cooperation with management

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



Where you want to be

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

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Level 5, 63 Pirie St Adelaide South Australia 5000
Telephone +61 8 8372 7900
advice@adel.bentleys.com.au | bentleys.com.au

 Advisors  Accountants  Auditors



Bentleys SA Audit Partnership

Level 5
63 Pirie Street
Adelaide SA 5000

GPO Box 939
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900

F +61 8 8372 7999

admin@adel.bentleys.com.au
bentleys.com.au

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 2023, 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

A handwritten signature in blue ink, appearing to read "David Francis".

David Francis
Partner

Dated at Adelaide this 30th August 2023

xx September 2023

David Francis
Bentleys SA Audit Partnership
Level 5, 63 Pirie Street
ADELAIDE SA 5000

Dear David,

RE: AUDIT FOR EASTERN WASTE MANAGEMENT AUTHORITY INC FOR THE YEAR ENDED 30 JUNE 2023

This representation letter is provided in connection with your audit of the financial statements of **Eastern Waste Management Authority Inc** (the "Authority") for the year ended 30 June 2023 for the purpose of forming an opinion whether, in all material respects, the financial statements are presented fairly in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 1999 and Australian Accounting Standards so as to present a view which is consistent with your understanding of Eastern Waste Management Authority Inc's financial position, the results of its operations and its cash flows.

We acknowledge our responsibility for the preparation of the financial statements including adequate disclosure. We also acknowledge our responsibility for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error.

We confirm, to the best of our knowledge and belief, the following representations:

We have implemented and maintained sufficient internal controls and processes within the Authority and ensure all elected controls regarded as 'core' have complied with.

There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements;

We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected the Authority;

We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud;

We have made available to you all books of account and supporting documentation and all minutes of meetings. Where minutes have not been prepared for recent meetings, a summary of decisions taken at those meetings has been made available to you;

We confirm the completeness of the information provided regarding the identification of related parties, and balances and transactions with related parties;

The financial statements are free of material misstatements, including omissions;

We believe the effects of those uncorrected financial report misstatements noted by you or your staff during the audit are immaterial, both individually and in aggregate to the financial report taken as a whole;

The Authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance;

We have disclosed to you all known incidences of possible or actual non-compliance with laws and regulations whose effects should be considered when preparing the financial report;

The following have been properly recorded and, when appropriate, adequately disclosed in the financial statements:

- The identity of, and balances and transactions with, related parties;
- Losses arising from sale and purchase commitments;
- Agreements and options to buy back assets previously sold,
- Assets pledged as collateral.

We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

The Authority has satisfactory title to all assets and there are no liens or encumbrances on the company's assets, except for those that are disclosed in notes to the financial statements.

We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.

There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or Notes thereto.

All claims that have been received in connection with litigation do not require adjustment of or disclosure in the financial statements of Notes thereto.

There are no formal or informal set-off arrangements with any of our cash and investment accounts. We have no other line of credit arrangements.

There are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.

General Manager – Rob Gregory

xx September 2023

**Bentleys SA Audit Partnership**

Level 5
63 Pirie Street
Adelaide SA 5000

GPO Box 939
Adelaide SA 5001

ABN 43 877 091 903

T +61 8 8372 7900
F +61 8 8372 7999

admin@adel.bentleys.com.au
bentleys.com.au

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 2023, 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 2023, 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.

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 FRANCIS
PARTNER

Dated at Adelaide this xxth day of September 2023

DRAFT

9.2: REGULATION 10 FINANCIAL REPORT 2023

REPORT AUTHOR: Coordinator Finance & Strategic Projects

ATTACHMENTS: A: Regulation 10 Financial Report

Purpose of the Report

To provide the Committee with a Report on the previous financial year performance (FY23) against budget as required by *Section 10 of the Local Government (Financial Management) Regulations 2011*.

Report

The Report is provided in accordance with Section 10 of the regulations:

10—Report on financial results

(1) A council, council subsidiary or regional subsidiary must, by no later than 31 December in each year, prepare and consider a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements of the council, council subsidiary or regional subsidiary (as the case may be) for the previous financial year compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.

RECOMMENDATION

The Committee recommends that the Regulation 10 Financial Report as presented in Attachment A is endorsed for presentation to the East Waste Board.

ITEM 9.2- ATTACHMENT A

Eastern Waste Management Authority

Uniform Presentation of Finances

	2022/23 \$000 Adopted Budget	2022/23 \$000 BR1	2022/23 \$000 BR2	2022/23 \$000 BR3	2022/23 \$000 Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
<i>User Charges</i>	21,955	22,060	21,581	21,281	21,188
<i>Investment Income</i>	13	13	23	25	46
<i>Grants, subsidies and contributions</i>	75	75	75	75	-
<i>Net gain - equity accounted Joint Venture</i>	1,069	1,069	1,019	1,064	1,078
	23,112	23,217	22,698	22,445	22,312
Expenses					
<i>Employee Costs</i>	7,164	7,164	7,174	7,204	7,476
<i>Materials, Contracts & Other Expenses</i>	13,241	13,346	12,482	12,152	12,184
<i>Depreciation, Amortisation & Impairment</i>	2,346	2,346	2,346	2,231	2,108
<i>Finance Costs</i>	406	371	371	371	354
	23,157	23,227	22,373	21,958	22,122
Operating Surplus / (Deficit)	(45)	(10)	325	487	190
Net Outlays on Existing Assets					
<i>Capital Expenditure on renewal and replacement of Existing Assets</i>	(2,223)	(2,223)	(2,231)	(2,231)	(587)
<i>Depreciation, Amortisation and Impairment</i>	2,346	2,346	2,346	2,231	2,108
<i>Proceeds from Sale of Replaced Assets</i>	200	200	100	65	145
	323	323	215	65.00	1,666
less Net Outlays on New and Upgraded Assets					
<i>Capital Expenditure on New and Upgraded Assets</i>	(2,597)	(2,597)	(2,597)	(2,597)	(2,484)
<i>Amounts received specifically for New and Upgraded Assets</i>	-	-	-	-	-
<i>Proceeds from Sales of Replaced Assets</i>	-	-	-	-	-
	(2,597)	(2,597)	(2,597)	(2,597)	(2,484)
Net Lending / (Borrowing) for Financial Year	(2,319)	(2,284)	(2,057)	(2,045)	(628)

Eastern Waste Management Authority

Statement of Comprehensive Income

	2022/23 \$000 Adopted Budget	2022/23 \$000 BR1	2022/23 \$000 BR2	2022/23 \$000 BR3	2022/23 \$000 Actual
		\$'000	\$'000	\$'000	\$'000
Income					
User Charges	21,955	22,060	21,581	21,281	21,188
Investment Income	13	13	23	25	46
Grants, subsidies and contributions	75	75	75	75	-
Net gain - equity accounted Joint Venture	1,069	1,069	1,019	1,064	1,078
Total Income	23,112	23,217	22,698	22,445	22,312
Expenses					
Employee Costs	7,164	7,164	7,174	7,204	7,476
Materials, Contracts & Other Expenses	13,241	13,346	12,482	12,152	12,184
Depreciation, Amortisation & Impairment	2,346	2,346	2,346	2,231	2,108
Finance Costs	406	371	371	371	354
Total Expenses	23,157	23,227	22,373	21,958	22,122
Operating Surplus / (Deficit)	(45)	(10)	325	487	190
Net Gain / (Loss) on Disposal of Assets	200	200	100	65	143
Amounts received specifically for new/upgraded assets	-	-	-	-	-
Net Surplus / (Deficit)	155	190	425	552	333
Other Comprehensive Income					
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	155	190	425	552	333

Eastern Waste Management Authority

Statement of Cash Flows

	2022/23 \$000 Adopted Budget	2022/23 \$000 BR1	2022/23 \$000 BR2	2022/23 \$000 BR3	2022/23 \$000 Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Operating Receipts	23,024	23,129	22,600	22,345	22,455
Investment Receipts	13	13	23	25	46
Employee costs	(7,071)	(7,071)	(7,054)	(7,054)	(7,361)
Materials, contracts & other expenses	(13,241)	(13,346)	(12,482)	(12,152)	(12,397)
Interest Payments	(406)	(371)	(371)	(371)	(304)
Net cash provided by (used in) operating activities	2,319	2,354	2,716	2,793	2,439
Cash Flows from Investing Activities					
Sale of Replaced Assets	200	200	100.00	65	145
Expenditure on Renewal/Replacement Assets	(2,223)	(2,223)	(2,231)	(2,231)	(587)
Expenditure on New/Upgraded Assets	(2,597)	(2,597)	(2,597)	(2,597)	(2,484)
Net cash provided by (used in) investing activities	(4,620)	(4,620)	(4,728)	(4,763)	(2,926)
Cash Flows from Financing Activities					
Proceeds from Borrowings	4,525	4,525	4,525	4,525	4,525
Repayment of Lease Liabilities	(263)	(263)	(263)	(263)	(271)
Repayment of Borrowings	(1,896)	(1,896)	(1,896)	(1,896)	(1,815)
Net cash provided by (used in) financing activities	2,366	2,366	2,366	2,366	2,439
Net Increase (Decrease) in cash held	65	100	354	396	1,952
Cash & Cash Equivalents at the 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	3,953

Eastern Waste Management Authority

Statement of Financial Position

	2022/23 \$000 Adopted Budget	2022/23 \$000 BR1	2022/23 \$000 BR2	2022/23 \$000 BR3	2022/23 \$000 Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash & Cash Equivalents	2,056	2,101	2,355	2,397	3,953
Trade & Other Receivables	661	935	935	935	746
Inventory	-	50	50	50	43
Total Current Assets	2,717	3,086	3,340	3,382	4,742
Non-Current Assets					
Property, Plant & Equipment	11,022	11,016	11,024	11,139	9,510
Total Non-Current Assets	11,022	11,016	11,024	11,139	9,510
Total Assets	13,739	14,102	14,364	14,521	14,252
Current Liabilities					
Trade & Other Payables	1,145	1,361	1,361	1,361	1,266
Borrowings	2,355	2,355	2,355	2,355	2,306
Provisions	787	825	838	853	871
Total Current Liabilities	4,287	4,541	4,554	4,569	4,443
Non-Current Liabilities					
Borrowings	8,351	8,361	8,361	8,361	8,490
Provisions	137	160	174	189	136
Total Non-Current Liabilities	8,488	8,521	8,535	8,550	8,626
Total Liabilities	12,775	13,062	13,089	13,119	13,069
Net Assets	964	1,040	1,275	1,402	1,183
Equity					
Accumulated Surplus	964	1,040	1,275	1,402	1,183
Total Equity	964	1,040	1,275	1,402	1,183

Eastern Waste Management Authority

Statement of Changes in Equity

	2022/23 \$000 Adopted Budget	2022/23 \$000 BR1	2022/23 \$000 BR2	2022/23 \$000 BR3	2022/23 \$000 Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated Surplus					
Balance at beginning of period	809	850	850	850	850
Net Surplus / (Deficit)	155	190	425	552	333
Transfers from reserves	-	-	-	-	-
Transfers to reserves	-	-	-	-	-
Distribution to Councils	-	-	-	-	-
Balance at end of period	964	1,040	1,275	1,402	1,183
Total Equity	964	1,040	1,275	1,402	1,183

9.3: ANNUAL REPORT 2022/2023

REPORT AUTHOR: Manager Business Services

ATTACHMENTS: A: Draft 2022/2023 Annual Report (Separate Cover)

Purpose of the Report

To provide the Audit & Risk Management Committee (the Committee), with an opportunity to review the Draft 2022/2023 East Waste Annual Report (the Report).

Report

As per legislative requirements, East Waste is required to produce an Annual Report each year which includes a full set of audited financial statements at the conclusion of each financial year.

The Report has been prepared in line with previous reports albeit it has undergone a re-design, providing an updated look. For the Committee's reference, the Draft Annual Report 2022/2023 (issued under separate cover) including the draft the financials (which will be updated if required) is provided for noting.

Recommendation

The Committee recommends that the 2022/2023 Annual Report is endorsed for presentation to the East Waste Board.

9.4: REGULATION FOR SMALL ELECTRICAL PRODUCTS AND SOLAR PHOTOVOLTAIC SYSTEM WASTE

REPORT AUTHOR: Manager Business Services

ATTACHMENTS: A: Submission Re: Regulation for small electrical products and solar photovoltaic system waste

Purpose of the Report

To provide the Audit & Risk Management Committee (the Committee) with a copy of the response that East Waste provided to the Australian Government regarding proposed regulations for small electrical products and waste from solar systems.

Background

On 20 June 2023 the Department of Climate Change, Energy, The Environment and Water released a Discussion paper regarding their intention to develop a regulatory product stewardship scheme for both small electrical and electronic equipment and solar photovoltaic (PV) systems.

The goal of the proposed regulations is to:

- reduce waste going to landfill, especially harmful materials found in electronic waste;
- increase recovery and re-use of valuable materials in a safe, scientific and environmentally sound manner;
- provide convenient access to recycling services for e-products and solar panels across Australia;
- help Australia take responsibility for its own waste and re-use the materials to make other products, and support Australia's transition to a circular economy; and
- encourage all those involved in the creation, sale, use and disposal of e-products to act in a way that is consistent with reducing waste to landfill.

Report

In response to the Discussion paper East Waste provided a comprehensive submission which recognised the efforts of all parties involved in researching and developing the Discussion paper. Despite South Australia banning electronic waste from landfill in 2013, based on our kerbside bin audits conducted in 2022 it is estimated that more than 860 tonnes of e-waste is still going to landfill from our member councils kerbside bins. As such, East Waste administration is supportive of further regulations to help minimise electronic waste.

Additionally, with an increasing number of solar systems coming to the end of their usable life combined with the growing demand for solar electricity systems, there is a need for better management of the systems when they reach end of life. Whilst not a significant issue for East Waste at the moment if no regulations are implemented it will likely become an issue for Member Councils and East Waste in the future, if nothing is implemented. As such, East Waste administration were supportive of the proposals outlined in the Discussion paper.

For the Committee's reference, the Discussion Paper is available online via

<https://www.dcceew.gov.au/about/news/regulation-small-electrical-products-solar-photovoltaic-systems>. East Waste Administration's Submission is provided in Attachment A to this report.

RECOMMENDATION

That the Committee notes the Submission, as presented in Attachment B, to the Australian Government Discussion paper regarding the regulation for small electrical products and solar photovoltaic system waste and supports the presentation of the submission to the Board.



21 July 2023

RE: Regulation for small electrical products and solar photovoltaic system waste

Department of Climate Change, Energy, the Environment and Water
GPO Box 3090
Canberra ACT 2601

To Whom It May Concern,

Regulation for small electrical products and solar photovoltaic system waste

Eastern Waste Management Authority (East Waste) would like to congratulate the Australian Government, individuals, businesses, researchers, industry associations, state and territory governments, local governments, and all other organisations involved in the preparation and successful roll out of the Discussion Paper. This important initiative addresses crucial waste management challenges and reflects a commendable collective effort.

As a regional subsidiary of eight (8) South Australian Councils, namely Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood Payneham & St Peters, City of Prospect, City of Unley, and the Corporation of the Town of Walkerville, East Waste takes pride in managing approximately 20% of Adelaide's kerbside municipal waste, organics, and recycling. Employing a modern fleet and shared services model, we conduct over 9 million kerbside bin collections each year and carry out more than 20 thousand at-call Hard Waste Collections for our member Councils.

We are honored to offer our insights and feedback on the proposal for a regulated product stewardship scheme concerning small electrical products and solar photovoltaic systems, not already covered by the National Television and Computer Recycling Scheme (NTCRS). South Australia's pioneering efforts in banning e-waste from landfills since 2011, along with the subsequent prohibition of various electronic items, have facilitated the establishment of an extensive network of over fifty (50) drop-off points for recycling electrical items, with most items being accepted free of charge. This, in turn, has led to higher recycling rates and significantly reduced volumes of e-waste collected through our hard waste collection service.

Nonetheless, our recent kerbside bin audit conducted in 2022 revealed that numerous small e-waste items, such as batteries, mobile phones, chargers, headphones, electrical cords, tools, and kitchen appliances, continue to find their way into our kerbside landfill and recycling bins. While e-waste constitutes only 1.6%(up from 1.3% in 2019) of the materials in waste to landfill bins, this still amounts to 867 tonnes annually across our eight (8) member Councils, resulting in considerable costs to our Councils and posing environmental challenges associated with electronic items in landfills.

Additionally, contamination in co-mingled recycling bins remains an area of concern. In the 2022 audit, e-waste represented 0.9% of the contamination found in co-mingled recycling bins. Kitchen appliances, tools, hair dryers, straighteners, computer hardware, and electrical cables were among the items found

in these bins. Reducing contamination in our co-mingled recycling stream is a key focus area for our member Councils, as highlighted in our 2030 Strategic Plan, aiming to achieve an average contamination rate of less than 7 percent (by weight).

To address these challenges effectively, we strongly advocate for the implementation of an extended producer responsibility (EPR) system. Such a system would hold designers, manufacturers, importers, and distributors accountable for the true cost of collection and recycling of all electrical goods and related components. Prioritising improvements in product durability, repairability, remanufacturing, and recyclability should also be integral to the scheme's objectives. Funding from the scheme should be allocated to provide wider opportunities for repair, including the supply of spare parts, tools, software, user manuals, and technical expertise, fostering a circular economy approach.

By adopting an EPR system, the burden of collecting and transporting electrical waste would shift from local governments to manufacturers, who would incorporate the cost of recycling and/or repair within the product price. Expanding the scheme's scope to include all electronic equipment would simplify messaging to the public and minimise electronic equipment ending up in landfills.

Considering the anticipated increase in Solar photovoltaic waste (PV), we urge careful planning to enhance recycling efforts and encourage more players in this market. The existing organisations recycling PV may not be equipped to handle the projected surge in waste materials. Without an effective scheme in place, Local Government Councils could face an upsurge in illegal dumping and improper disposal of this waste.

We have provided specific responses to relevant questions in the accompanying pages. We express our gratitude for the opportunity to contribute to this vital discussion. If you require any further clarification or wish to discuss any aspect of our submission, please do not hesitate to contact the undersigned on telephone (08) 8347 5111 or via email david@eastwaste.com.

Yours sincerely,



DAVID MAYWALD
MANAGER BUSINESS SERVICES

Q1: I am a(n):

East Waste is a Local Government Subsidiary which provides waste collection services to eight (8) Member Councils in South Australia.

Q2: How concerned are you about solar PV system waste?

Very Concerned

Q3: How concerned are you about waste from electrical and electronic equipment?

Very Concerned

Q4: Do you think government intervention (such as regulation) is needed for Australia to better manage small electrical products waste?

Yes

In 2013, South Australia implemented a ban on electronic waste (E-Waste) disposal through landfill. Despite the presence of numerous E-Waste drop-off locations in the communities within our member Councils' areas, a recent kerbside audit conducted by East Waste in 2022 revealed that electronic waste constituted more than 1.6% of the total material by weight, approximately amounting to 867 tonnes per year.

While East Waste and our member Councils continue to educate the public on E-Waste management, there remains a need for further legislative changes to foster more sustainable practices among Australians.

Additionally, East Waste strongly advocates for the Australian Government to expand the scope of E-Waste regulations to encompass all types of electronic waste. This broader approach will streamline messaging and education efforts directed at the public.

Q5: Do you think government intervention (such as regulation) is needed for Australia to better manage solar photovoltaic system waste?

Yes

Considering the projected rise in PV waste and the challenges associated with reusing the equipment, East Waste holds the view that the current businesses engaged in PV recycling might not have the capacity to handle the expected volumes adequately. This situation could lead to potential illegal disposal of PV waste, creating a significant burden for Local Councils to address.

To address this issue effectively, government intervention becomes essential in encouraging the establishment of more businesses or organisations involved in PV recycling. By fostering a competitive market in this domain, disposal of PV waste can become more convenient and cost-effective. Without such intervention, there is a genuine risk of PV being disposed of in unlawful and hazardous ways.

Q6: Do you think there is sufficient information available to consumers on how their choices can reduce e-waste and how to safely manage e-waste? [Select Yes, No or Maybe from the Choose an item drop down below]

No

Q7: What additional information do you think should be made available to consumers?
[Check any or all the boxes below]

- Information on the difference my purchase and disposal choice can have on human health and the environment.
- Accessible information on how I can easily dispose of my unwanted e-waste.
- Easily understood information on the impacts if my e-waste goes to landfill.
- Information on the rules relevant to me in my state/territory and what I should do to comply with these rules.
- Other. Type a response in the text box below to explain.

Presently, our society is characterized as a "throw away society" due to the prevailing perception that it is simpler and more economically viable to buy new electronic equipment rather than opting for repairs. By offering consumers more comprehensive information about their warranty rights and repair options for Small Electronic and Electrical Equipment (SEEE) items, we can potentially reduce the amount of SEEE items ending up in landfills.

Q8: Select one or more of the following objectives you think the scheme should focus on.
[Check any or all the boxes below]

- Reduce waste to landfill.
- Increase the recovery of reusable materials.
- Provide convenient access to e-stewardship services across Australia.
- Support Australia's transition to a more circular economy.
- Foster shared responsibility across the lifecycle of covered products.

Q9: What objectives should be included or excluded? Type your response in the text box below.

The emphasis on prioritizing re-use over recycling whenever feasible aligns with our commitment to the waste hierarchy and the circular economy. The scheme should aim to set specific targets that define the proportion of materials to be re-used rather than recycled.

Additionally, the success of this approach hinges on robust objectives related to advertising and education initiatives, ensuring widespread awareness among the public. Equally important is the

establishment of easily accessible drop-off and pick-up locations to ensure convenience for end users.

Q10: Explain any concerns about the scheme model proposed in the discussion paper?

The current scheme lacks the inclusion of all small electrical equipment and still maintains certain exclusions. This situation can lead to complex and confusing messaging for the general public regarding product recycling. Therefore, East Waste strongly supports the expansion of the scheme to encompass all electrical items, simplifying communication and garnering greater public support.

Moreover, including all items in the scheme may stimulate innovative ideas for effectively managing products that would otherwise be destined for landfills.

Q11: What do you think are the key benefits from the scheme model proposed in the discussion paper?

The implementation of national legislation will foster increased consistency and hold manufacturers accountable for their product life cycles. The scheme is expected to result in a decrease in small electrical items being disposed of through kerbside bin collections, thereby minimising the use of virgin materials.

Moreover, having the scheme in place will assist in preventing PV waste from ending up in landfills or being disposed of improperly. By providing options not presently available, the scheme will contribute significantly to mitigating PV waste-related challenges.

Q12: Is there a different scheme model you believe would be more effective?

No

Q13: Do you agree that only first importers and producers should be liable parties?

Yes

Q14: What other participants in the supply chain should be considered liable parties, and why?

Not Sure

Q15: The Scheme administrator is responsible for setting fees paid in advance by liable parties. If any, describe what role government should have in setting fees?

The government should consider setting of a minimum fee, that is sufficient to cover current, future and legacy waste.

Q16: How could eco-modulated fees be incorporated into the proposed scheme?

The concept of eco-modulated fees could be associated with the warranty periods that manufacturers commit to offering. For instance, longer and free extended warranty periods could lead to reduced fees. However, it is crucial to effectively communicate this to consumers, ensuring they are aware of the benefits beyond the standard repair/replacement entitlements under Australian consumer law.

Introducing eco-modulated fees at a later stage, once the industry has adapted to the new scheme and is prepared for added complexity, could be a prudent approach.

Q17: Financial reserves will accumulate from the fees collected from liable parties for solar photovoltaic (PV) systems because there may be decades between when the products are placed on market and when they become waste. If any, describe what role government should take in managing these funds.

Surplus funds could be used to provide grants for additional education/innovation.

Q18: Are there any small electrical and electronic equipment products you believe should not be covered under the scheme?

No

Q19: Which products and why? Type your response in the text box below.

N/A

Q20: Are there small electrical and electronic equipment products that you would like to see added to the list of included products in the discussion paper?

Yes

Q21: Which products and why? Type your response in the text box below.

As previously outlined, East Waste would like to see the scheme expanded to include all small electrical products as this will simplify messaging to the public and encourage innovation to deal with items not currently being recycled.

Q22: Can you suggest a better method than Harmonised System (Import) codes for defining in-scope products? Type your response in the text box below.

No

Q23: Should the scheme cover all parts of a solar PV system?

Yes, all components must be included in the stewardship scheme. With an increasing number of solar systems reaching the end of their life, Councils will likely receive numerous inquiries about disposal options. It is imperative to swiftly introduce a comprehensive stewardship scheme to address this situation.

Having an all-encompassing scheme ensures consistency for consumers, manufacturers, and electricians involved in the removal of old solar systems. With all items covered, there won't be different requirements for each part, making the scheme simpler and more effective overall. Swift implementation of such a comprehensive scheme is essential for its success.

Q24: Are there any products, or specific solar PV products, that should not be covered?

No

Q25: What do you think are the pros and cons of including, within the scheme, large format energy storage batteries which are attached to solar PV systems?

If batteries are excluded from the scheme now, they will likely become an issue in the future. Therefore, rather than having to deal with them once they become an issue. East Waste supports the inclusion of PV batteries in the scheme.

Q26: It is proposed the scheme will cover batteries that are embedded in small electrical and electronic equipment but not loose batteries (e.g. AAA batteries). Do you have any concerns regarding the scheme approach to waste containing embedded batteries?

Not a significant concern given the success of the Battery stewardship scheme however, East Waste would support them being included to help simplify the messaging to the public about what is or isn't included.

Q27: Do you believe that the set of targets and obligations detailed in the discussion paper are appropriate for a product stewardship scheme which covers small electrical and electronic equipment?

Yes

Q28: What changes would you suggest to the proposed targets and obligations?

N/A

Q29: Do you think the set of targets and obligations detailed in the discussion paper are appropriate for a product stewardship scheme which covers solar PV?

Yes

Q30: What changes would you suggest to the proposed targets and obligations?

N/A

Q31: Do you agree it is appropriate that owners be responsible for covering the cost of managing all legacy waste from large-scale commercial solar PV systems (100kW and above?)

Yes

Q32: What alternative do you suggest? Type your response in the text box below.

N/A

Q33: Do you think it is appropriate to impose a mandatory requirement on owners of large-scale solar PV systems (over 100kW), built before the scheme commenced, to provide information about how they are managing waste?

Yes

Q34: What information should owners of large-scale solar PV systems, built before the scheme commenced, be required to provide to the Scheme Administrator?

[Check any or all boxes below]

Serial Numbers of deinstalled solar panels, inverters, and batteries.

- Information on the organisation/s that are responsible for the decommissioning of these systems.
- Information on the organisations that are recycling the waste from these systems.
- Information on reuse or export of products.
- Information on the disposal of these systems in landfill.
- Other. Type your response in the text box below.

Q35: Explain why not. Type your response in the text box below.

N/A

Q36: The paper suggests less than 100 kW capacity as the definition of small-scale solar PV systems eligible for free services (where they were installed prior to the scheme commencing).

What definition do you suggest from the list below? [Check 1 box below]

- 0-15 kW (predominantly households)
- 0-50kW (mostly households and small business)
- Agree with the less than 100kW proposed (households and businesses)

Q37: How can the Scheme make collecting and transporting waste from PV systems convenient, efficient and cost-effective for electricians and PV system installers?

There will need to be convenient drop off locations or collection options implemented to ensure that there is no significant barrier for installers/ electricians etc.

Q38: What are the minimum requirements that should be set for a collection site to accept PV systems?

Unsure

Q39: Should requirements differ between types of hosts? (For example, for those hosted by local government and those hosted by PV distributors).

Without knowing what the requirements are it is difficult to answer this question. However, it is important that Local Government are not burdened with additional requirements.

Q40: How could the Scheme provide incentives for recyclers to recover more valuable material over time and ensure safe management of hazardous material from solar PV systems?

Could consider the implementation of rebates that fluctuate based on commodity prices at the time.

Q41: The Scheme could allow liable parties, that have imported or produced solar PV systems and components, other options to manage their liability. This could apply when components are used in a large-scale solar project, such as solar farms. These options involve either the liable party or the owner of the large-scale project providing a decommissioning plan and bond, which would allow the financial liability to be met over a longer time frame.

Do you think this approach is appropriate?

Yes

Q42: If the owner chooses other options to manage their liability the liable party could be exempt from paying upfront fees to the Scheme Administrator for some components. Which of the following requirements should apply for the Scheme Administrator to provide an exemption?

- The products or components where an exemption is being sought, must solely be used in a large-scale solar PV system project, such as a solar farm.
- A decommissioning plan that details how the system will be decommissioned, in-scope products will be recycled, and residual and hazardous waste will be managed must be provided to the Scheme Administrator.
- A plan of how requirements of the scheme that would otherwise apply would be met. For example, obligations under the scheme.
- A plan on how the commitments of the decommissioning plan will be transferred if the system is sold before decommissioning.
- The owner provides an appropriate bond, surety or guarantee for the commitments made in the decommissioning plan.
- Other (please specify)

Q43: Explain why not.

N/A

Q44: Are there any other comments you would like to make in response to the paper?

East Waste, would like to thank all those involved in developing the discussion paper on this important topic and to also re-iterate the importance of keeping things as simple as possible for the general public so there is greater buy in and use of the scheme, specifically regarding the small electrical items.

9.5: ANNUAL REPORTING CALENDAR

REPORT AUTHOR: Coordinator Finance & Strategic Projects

ATTACHMENTS: A: Annual Reporting Calendar

Purpose of the Report

To provide the Committee with an update of the progress of East Waste's key reporting requirements via the Annual Reporting Calendar.

Background

At the May 2023 Board Meeting, The Board resolved:

9.3 ANNUAL REPORTING CALENDAR

Moved Cr Allanson 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.

Seconded Mayor Holmes-Ross

Carried

Report

The attached Annual Reporting Calendar (refer Attachment A) provides a snapshot update of the progress of East Waste's key legislative and governance reporting requirements for the calendar year.

The Committee will note the interim Audit was deferred to June in 2023, and correspondence was circulated to Committee Members in July 2023 advising no matters of note were identified, and therefore no Management Letter issued at that time. In addition, an Annual Review of the Long Term Financial Plan & Asset Management Plans will now take place at the February meetings.

This is a standing item on the Agenda.

Recommendation

That the Committee notes the East Waste *Annual Reporting Calendar*, as presented in Attachment A.

