



**EASTERN WASTE MANAGEMENT AUTHORITY
SPECIAL BOARD MEETING**

THURSDAY 21 MARCH 2024

Notice is hereby given that a special meeting of the Board of the Eastern Waste Management Authority will be held via Zoom, on Thursday 21 March 2024 commencing at 11:00am.

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

SPECIAL MEETING OF THE BOARD OF MANAGEMENT

Meeting to be held on Thursday 21 March 2024 commencing at 11:00am

Via Zoom link <https://us02web.zoom.us/j/88209359314>

1. PRESENT
2. ACKNOWLEDGEMENT OF COUNTRY
3. APOLOGIES
4. DECLARATIONS OF INTEREST
5. REPORTS
 - 5.1 DRAFT 2024/25 ANNUAL PLAN & BUDGET *pg.4*
6. CLOSURE

5.1: DRAFT 2024/25 ANNUAL PLAN & BUDGET

REPORT AUTHOR: General Manager
ATTACHMENTS: A: East Waste 2024/25 Annual Plan
B: Draft Summary Movement Table
C: East Waste Budget Framework Policy

Purpose of the Report

To provide the Board with additional information and options in relation to the 2024/25 Annual Plan (FY25 Annual Plan) and Budget prior to endorsement and distribution to Member Councils.

Background

Section 51 of the Eastern Waste Management Authority Charter requires the Authority to have an Annual Plan which supports and informs its Budget. Following the Board's endorsement, the draft Annual Plan and Budget will be distributed to Member Councils for their review prior to the mandated 31 May timeframe (Section 52.3 of the Charter). Additionally, Section 53 requires the Authority to advise Constituent Councils of proposed fees for the next financial year by April 1.

The draft FY25 Annual Plan and Budget was presented to the February 2024 East Waste Board Meeting and following deliberation the Board expressed concern over the proposed service increase and sought further information to better understand the rationale for the rise. The Board resolved:

9.2 DRAFT 2024/25 ANNUAL PLAN & BUDGET

Moved Mr S Dilena that:

Item 9.2 Draft 2024/2025 Annual Plan & Budget be deferred to a Special Board Meeting to be held within the next two weeks pending further information being provided to the Board Members by the General Manager to clarify the budget increases.

Seconded Mr C Malak

Carried

A paper and information was presented to the Board at a virtual meeting held 21 March 2024. Having considered the information provided the Board resolved:

6.1 CONFIDENTIAL DRAFT 2024/25 ANNUAL PLAN & BUDGET

Moved Mr C Malak

- 1. That the East Waste Board defers consideration of Item 6.1 Confidential Draft 2024/25 Annual Plan & Budget to a Special Board Meeting to be held prior to close of business on 22 March 2024, pending further information from Administration as detailed in point 2 of this resolution.*
- 2. The East Waste Board requests Administration to present a budget reflective of a 5% Common Fleet Charge increase from FY24 and present the impacts to forecasted cash reserves and the FY25 Profit and Loss Statement.*

Seconded Mr S Dilena

Carried

Detail on the draft FY25 Annual Plan is not repeated here and Members are directed to Agenda Paper 9.2 from the February 2024 Board Meeting for detailed information on the development of the FY25 Annual Plan.

Report

The original FY25 budget proposed a 7.96% increase in Common Fleet Costing (CFC) Charges on the FY24 budget to meet the Business-as-Usual operational requirements and projects outlined within the FY25 Annual Plan. This is above the December 2023 annual CPI rate (4.8%) and projected increase within the East Waste Long Term Financial Plan (6.4%). Following a Board resolution directing Administration to explore the impacts of relying on cash reserves to fund a reduced year-on-year increase to CFC charges, Administration proposes four additional options for consideration, in addition to the adoption of the originally presented FY25 Budget (Option 1).

Option 2 – Use of Cash Reserves to Reduce the FY25 Common Fleet Costing to 5%

To reduce the FY25 CFC increase to 5% through the utilisation of existing cash reserves (and based on the retention of all forecasted FY25 operational expenses and income as previously presented) as proposed by the Board, an estimated sum of \$495K cash reserves would be required to fund the budget deficit (Option 2).

To assist with the Board’s ongoing consideration of the draft FY25 budget assumptions and to further inform the Board of the impact of this potential strategy, modelling on a 6% and 7% budget increase scenario are also provided within Table 1 below.

Common Fleet Costing Charge - FY24 Adopted Budget	5%			6%			7%			Draft FY25 Proposed Budget
\$ 16,712,597	\$ 17,548,227	\$ 17,715,353	\$ 17,882,479	\$ 18,043,182						
\$ Movement to FY24 Budget	\$ 835,630	\$ 1,002,756	\$ 1,169,882	\$ 1,330,585						
Variance to FY25 Budget Funding Requirement	\$ 494,955	\$ 327,829	\$ 160,703	\$ -						

Following a review of the impact to East Waste’s cash reserves, the Administration and Dean Newbery (external accountants) are of the view that financially, East Waste can absorb in one year the operating deficit and fund the \$495K required from cash reserves in order to achieve the Common Fleet Cost increase cap of 5% for FY25.

The Administration have concern however, that while the utilisation of cash reserves in the FY25 year will provide a more palatable offering in the immediate future to Member Councils, assuming all operating costs and income remain unchanged in the FY25 year, budget development for the FY26 year will commence with at least a 3% (\$495,000) deficit and defers the impost of the cost increase to the FY26 budget process.

Should the cash utilisation approach be adopted to reach the 5% CFC charge without addressing the funding of the \$495K budgeted expenditure matter noted above, this approach has an impact for Member Council’s respective budgets in the following two key ways:

- Decrease in Common Fleet Cost charges paid, which result in a direct cash saving to the Member Council and a reduction in Operating Expenses in each respective budget. This impacts each Member Council differently depending on their respective Common Fleet percentage allocation.
- Requires each Member Council to equally record in the form of an Operating Expense, a share of the estimated Operating Loss in their respective Statement of Comprehensive Income (i.e. Profit & Loss Statement). This is in the form of a non-cash transaction for the Member Council.

Given that each Member Council has a different Common Fleet percentage allocation versus their respective equity share in East Waste, the consolidation of the savings in Common Fleet Cost Charges and Operating Loss in East Waste impacts each Member Council's FY25 budget differently as is demonstrated in the Table 2 below.

Table 2: Summary Impact on Member Council's FY25 Budget – 5% CFC Increase Scenario

Council	Savings in CFC Charge	Share in Net Result	Total Movement
Adelaide Hills	\$ 88,491	-\$ 61,869	\$ 26,621
City of Burnside	\$ 77,269	-\$ 61,869	\$ 15,399
Campbelltown City Council	\$ 78,889	-\$ 61,869	\$ 17,019
City of Mitcham	\$ 61,788	-\$ 61,869	-\$ 82
City of NPSP	\$ 69,063	-\$ 61,869	\$ 7,194
City of Prospect	\$ 33,413	-\$ 61,869	-\$ 28,456
Town of Walkerville	\$ 12,568	-\$ 61,869	-\$ 49,301
City of Unley	\$ 73,475	-\$ 61,869	\$ 11,606
Total	\$ 494,955	-\$ 494,955	\$ 0

To further explain how the information contained in Table 2 impacts a Member Council and is applied, taking Adelaide Hills Council as an example, the decision to apply a 5% CFC increase would result in the following:

- A decrease of \$88,491 in Common Fleet Service Charges applied in FY25 (e.g. reduction in Operating Expenses to the Council for FY25) (cash saving).
- An increase in Operating Expenses of \$61,869 being the share of the forecasted Operating Loss in East Waste for FY25 (non-cash expense).
- The net benefit of the strategy on Adelaide Hills Council FY25 Budget equals \$26,621 on the Statement of Comprehensive Income when compared to the original draft FY25 Budget.

For three Members, it is worth noting the decision would result in a net loss (albeit the City of Mitcham is essentially breakeven given their CFC % is equal to their respective ownership share in East Waste).

In order to achieve what Administration view as a more fiscally responsible and sustainable approach, a critical review of the budget assumptions, estimates and proposed projects outlined within the draft FY25 Annual Plan and Budget has been undertaken. This has led Administration to develop a further three alternate budget options for the Board to consider. The financial detail around these three options are detailed within Attachment B (refer Attachment B).

Option 3 – Reduction in Operating Costs to Achieve a 6.3% CFC Charge Increase

A review of budget assumptions estimates and proposed projects has resulted in a potential net budget saving of \$303K (combination of savings in operating costs and minor income increases) (refer Attachment B for full detail).

Of note the reduction proposes the removal of two projects identified within the Annual Plan. Removal of \$60,000 previously allocated to assist Member Councils with the roll out of Weekly Organics Trials is proposed. In light of the Government's recent proposed changes to kerbside collection legislation, and subsequent discussions, it is unlikely that several Member Councils will progress next year as previously anticipated. Further to this, \$25K allocated for the development of a carbon accounting project is proposed to be deferred for 12

months (until FY26). This was an East Waste internally generated project and is not anticipated to cause any discontent from Member Councils.

Additionally, a revision in fuel costs by \$0.05/litre and a recent review of oil and lubricant suppliers, has resulted in an estimated saving of \$76K. With fuel prices remaining at lower levels than anticipated, prior to the setting of the original budget, there is a some better confidence on fuel pricing for at least the start of the financial year. The risk remains however that fuel prices may increase above budget estimates given the volatility experienced in recent years and the highly unpredictable nature of fuel prices being forecasted over a long period of time.

Additionally, budget savings across other proposed activities such as staff development, legal fees, removal of bin audit activities and the deferment of capital acquisitions to more accurately match delays experienced in the delivery of trucks over the last 2 years have been factored in revised budget assumptions.

The above matters implemented, would reduce the year-on-year increase to 6.13% (previously 7.9%), which is below the projected increase in East Waste's LTFP, but still above the nominated 5% sought by the Board. These proposed changes are detailed in Option 3 of Attachment B (refer Attachment B) and represent a substantially reduced budget in terms of proposed activities to be undertaken and which provides for very little variation/flexibility with the budget across the year.

Option 3 continues to include the 1% surplus in CFC factored into the charges to Member Councils.

Option 4 – Removal of 1% CFC Surplus Charge

An alternate option is for the Board to apply a one-off exception in the application of the Financial Performance Target (1% Common Fleet Costing Charge) as outlined in East Waste's *Budget Framework Policy* (refer Attachment C) as detailed in Option 4 of Attachment B (refer Attachment B). This would provide a saving of \$176K or 1%, reducing the year on year increase to 6.96%.

Option 5 – Adopt Option 3 & 4 (Combined)

Administration propose Option 4 (\$303K) and Option 5 (\$176K) is combined resulting in an overall decrease of \$479K, translating to a 5.08% year-on-year increase on the original FY24 budget (refer Option 5 of Attachment B). This combined approach is 1.3% below the projected increase in East Waste's LTFP and in line with the proposed 5% increase requested at the last Board meeting.

In the same way that utilising cash reserves has on the starting point of the FY26 year, not applying the 1% Common Fleet Costing, will also mean that budget development for the FY26 year start in a disadvantaged position, albeit to a lesser (and in Administration's view), more recoverable position.

Summary

Five Options for the budget associated with the FY25 Annual Plan are available to the Board.

1. Adoption of Annual Plan and Budget as originally presented – 7.96% increase
2. Utilisation of Cash Reserves to reduce Member Council impact in FY25 – 5% increase
3. Adoption of Revised Budget & Annual Plan – 6.13% increase
4. Removal of 1% Common Fleet Charge - 6.96% increase
5. Adoption of Revised Budget & Annual Plan **AND** Removal of 1% Common Fleet Charge - 5.08% increase

Having extensively reviewed the budget, the strategic horizon and listened to the intent of the Board, Administration support the adoption of Option 5. Should Option 3, 4, or 5 be endorsed, Administration strongly favours retention of the cash reserve for at least the first six (6) months of the FY25, as this will be the only contingency (safety buffer) available, should unforeseen unbudgeted expenses occur without needing to request additional funding from Member Councils.

Given East Waste's existing strong cash reserves held, it has been able to apply the same principle this year (FY24) to fund additional operating costs without the need to request additional funding from Member Councils.

The FY25 Annual Plan as presented within Attachment A (refer Attachment A) does not incorporate the outlined options or Administration's preferred approach (Option 5). Following the Boards consideration and endorsement, the relevant changes will be made to both the FY25 Annual Plan and Financial Statements prior to presentation to each of the Member Councils.

RECOMMENDATION

That the Board:

- 1. Endorse the East Waste 2024/25 Annual Plan, as presented in Attachment A, with a revised project list and financials, consistent with Option 5 outlined in the above report;**
- 2. Endorse the associated draft 2024/25 budget with revised financials, consistent with Option 5 outlined in the above report;**
- 3. Authorise the General Manager to distribute to each Member Council for review and comment, the *Draft 2024/25 Annual Plan*, as presented (and revised) in Attachment A, along with the proposed fees.**

EastWaste



2024/25 Annual Plan

Table of Contents

Vision and Mission..... 3

Executive Summary 4

Background..... 5

Strategic Plan 6

2023/24 Focus 7

Annual Plan 2024/25 Delivery Schedule 9

Budget Management..... 15

Financial Statements..... 16

VISION

The Destination

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

MISSION

The Vehicle

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

Executive Summary

The FY24 year has been a year of evolution for East Waste with three weekly FOGO (Food Organics, Green Organics) trials rolled out across Member Councils. The initial success and momentum more broadly of this approach, is likely to see an extension of existing, and the rollout of further trials being a core focus of East Waste in the FY25 year. Albeit, a supportive legislative approach is required, which at the time of drafting the Annual Plan is under threat due to an announcement on new legislation which will impact on Local Government's ability to drive behaviour change and achieve diversion targets.

A preliminary review of the East Waste 2030 Strategic Plan has identified the need to undertake a comprehensive review of the document to raise the strategic nature and outlook of the document. This process is reflective of the evolving maturity of East Waste as an Organisation over the past decade and the trajectory we are currently on.

Other key focusses of the FY25 Annual Plan include an East Waste led co-mingled recycling, organics and landfill contracts being placed into the market throughout the FY24/25 year. Through these contracts East Waste will deliver aggregated savings to Member Councils wishing to participate and can kick start significant circular economy and higher use material resource benefits. With the benefit of experience and lessons learned from recent joint approaches to the market, East Waste can position for strong contemporary market approach and contract.

Background

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

East Waste is governed by a Charter ([the Charter](#)) pursuant to *Section 43* of the *Local Government Act 1999* and administered by a [Board](#), which includes a director appointed by each Council and an Independent Chair.

Clause 51 of the Charter requires the Authority each year to have an Annual Plan which supports and informs the budget. Specifically, it is to include an outline of East Waste's objectives, the activities intended to be pursued, and the measurement tools defined to assess performance. It must also assess and summarise the financial requirements of East Waste and set out the proposals to recover overheads and costs from the Member Councils.

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

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

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

East Waste 2030 Strategic Plan Vision, Objectives & Strategies

VISION

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

OBJECTIVES

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

STRATEGIES

- | | | | | |
|--|---|--|--|--|
| <ol style="list-style-type: none"> 1.1 Attract additional services and/or new councils where further economies of-scale can be achieved 1.2 Offer a single contract for the management of the residual waste to all member councils 1.3 Partner with other councils and organisations to achieve greater synergies and economies of scale in service delivery 1.4 Investigate and implement collection technologies and innovation 1.5 Provide a consistently high standard of Customer Service | <ol style="list-style-type: none"> 2.1 Provide more service choice and flexibility to residents on kerbside services to support them to increase their recycling levels 2.2 Provide a tailored 3-stream service to Multi-Unit Dwellings (MUDs) to support waste reduction and increased recycling 2.3 Pilot a tailored service delivery model across a business precinct(s) to support waste reduction and increased recycling | <ol style="list-style-type: none"> 3.1 Engage in research and projects delivering evidence-based data which increases behaviour change decision making 3.2 Develop an integrated and tailored long-term community behaviour change and education program 3.3 Identify and trial behaviour change programs aimed at reducing contamination 3.4 Encourage and support councils to introduce an incentive(s) to households to reduce their landfill volumes 3.5 Engage schools in behaviour change & waste education | <ol style="list-style-type: none"> 4.1 Support local reprocessing and procurement of recycled content products 4.2 Encourage and support councils to procure and use recycled content products 4.3 Support councils to implement sharing economy and reuse initiatives 4.4 Investigate options to process and extract the highest value from collected resources | <ol style="list-style-type: none"> 5.1 Implement best practice safety standards 5.2 Advocate on behalf of our Member Councils 5.3 Invest in our people 5.4 Quality and transparent Corporate (Governance & Financial) Activities |
|--|---|--|--|--|

KPIs

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



2024/25 Focus

While the Strategic Plan undergoes a review, East Waste will still maintain a focus and pursue progression towards the Vision and objectives of the 2030 Strategic Plan. Regardless of the future direction settled upon, it is highly likely that the current objectives will, at the very least, underpin our thinking and operational aspirations into the future.

East Waste continues to pursue innovation and be at the forefront of service delivery changes for the betterment of our Councils and the Community. East Waste exists to create financial and efficiency savings, not to generate a profit to return to shareholders. This is an important and fundamental distinction of East Waste compared to the private sector and key benefit of being within the East Waste subsidiary.

The review of the Strategic Plan is likely to result in a new suite of KPIs (Key Performance Indicators), but for now the focus and agreed actions will work towards the existing agreed group of indicators. As a partnership Organisation, East Waste requires the support and engagement with our Member Councils and external Organisations in order to work closer to them.

Objective 1: Deliver cost-effective and efficient services & facilities ensure East Waste remains true to its core function of providing high quality and fiscally efficient services to Member Councils, while at the same time seeking external opportunities which add value to the East Waste model. In addition, ensuring that we continue to have contemporary modes of engagement and facilities to deliver services is paramount.

Objective 2: Maximise Source Separation and Recycling and *Objective 3: Provide leading and innovative behaviour change and education* are centred on improving material efficiency, diversion from landfill and actively working towards the Key Performance Indicators listed within the 2030 Strategic Plan. The actions are also designed to help East Waste as an entity, achieve the State Government 2025 diversions targets (specifically Municipal Solid Waste and Food). Within these targets are specific actions centred around improving food waste efficiency and the preliminary result undertaken through the FY24 weekly Food Organics and Garden Organics (FOGO) trails are very promising and warrant further exploration and expansion.

Objective 4: Help Drive a Local Circular Economy, recognises that East Waste has a role to play in assisting and supporting our Members to be more engaged and active within the local circular economy space.

Objective 5: Provide Leadership, actions assist East Waste to continue to strengthen the integrity of internal systems, processes and framework and invest in our people, in order to reduce risk and improve our already high Governance levels.

The actions are far from a prescriptive list, rather the key projects East Waste intends to undertake over the 2024/25 year and more detail on each is provided below. East Waste provides unique and valuable benefits back to our Member Councils far beyond financial savings which cannot be generated through traditional waste contracts. East Waste exists to create financial and efficiency savings, not to generate a profit to return to shareholders. And East Waste achieves delivers this, whilst maintaining a high-level and high-quality service. This has been

clearly demonstrated through the weekly FOGO collection trails undertaken in the past 6 months, where the logistical approach and focus designed by East Waste, has generated a far greater uptake by the community and generated economic and environmental savings not previously realised in other trials implemented in metropolitan Adelaide. The short payback periods that East Waste have shown we can achieve are predominately driven by East Waste's focus to drive efficiency savings to our Member Councils, not profit to shareholders and to match household waste generation with the most appropriate waste collection regime.

The success of implementation of the East Waste-led FOGO trails, coupled with the preliminary results has generated significant interest and excitement amongst several other Member Councils, which is likely to lead to further requests to undertake trials and potentially full Council roll outs. It is expected that 2-3 Councils will, through their own FY25 Annual Plan and budget processes, endorse either of these approaches. This will add significant internal planning and consumption of physical and human resources in order to successfully deliver. As there is no confirmation from Member Councils resourcing of these trials and/or roll outs, no allowance has been included within this first iteration of the budget. Notwithstanding, the scope of innovation projects that East Waste would typically consider in a year has been scaled back to create some of the capacity needed to deliver.

East Waste led co-mingled recycling, organics and landfill contracts will be placed into the market throughout the FY24/25 year. Building on recent experiences in this space, East Waste will deliver an aggregated saving to Member Councils wishing to participate and can kick start significant circular economy and higher use material resource benefits.

It is an exciting time to be a part of East Waste with the operational shifts that are occurring, the collaboration being generated from within and interest from external parties to partner. The review of the Strategic Plan will undoubtedly reflect this through a higher-level, less operational focus than it has historically been. The evolution, maturity and growth of East Waste is set to continue throughout the FY25 financial year.

This Annual Plan is to be effective from 1 July 2024.

NO.	ACTIVITY/PROJECT	OVERVIEW	OBJECTIVE	STRATEGY	MAIN KPI/TARGET	BUDGET
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 present detailed business cases for the Council's consideration in a bid to secure these services.	Deliver Cost Effective and efficient services and facilities	1.1	Vision Target	Recurrent
2.	Investigate opportunities outside of existing Member Councils.	When potential opportunities arise, East Waste will investigate service provision to non-member Councils and subsidiaries where the benefit and/or the fostering of partnerships can drive value to Member Councils.	Deliver Cost Effective and efficient services and facilities	1.1	Vision Target	Recurrent
3.	'Landfill' Bin Contract	Member Councils have historically held their own contracts for the disposal/processing of the red/blue bin. As a subsidiary focussed on aggregation, East Waste will investigate, and if feasible, pursue an East Waste-led red/blue bin processing contract.	Deliver Cost Effective and efficient services and facilities	1.2	At least 75% of kerbside material separately collected & recycled	Recurrent
4.	Increase Customer Engagement Opportunities	East Waste has implemented a number of customer service engagement systems in recent years and this work will continue with the consolidation of Customer Service Systems; ultimately creating an improved work management flow.	Deliver Cost Effective and efficient services and facilities	1.5	Vision Target	Recurrent + Service Initiative \$0.075M

MAXIMISE SOURCE SEPARATION & RECYCLING

5.	Advance trials and rollout of weekly organics collections	Through the success of current trials undertaken by East Waste and more broadly across metropolitan Adelaide, East Waste will pursue the design and implementation of at least one further weekly organics collection trial and a full Council rollout.	Maximise Source separation and recycling	2.1	<ul style="list-style-type: none"> • At least 75% of kerbside material separately collected & recycled • 100% of food waste separately collected and recycled. 	Recurrent + Service Initiative \$0.085k
----	---	---	--	-----	--	--

• 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 biennial kerbside audits undertaken over the past 6 years, refine and deliver the ongoing successful “Why Waste It?” program, with a strong food waste separation focus.	Provide leading and innovative behaviour change and education	3.2	• Vision Target	Recurrent + Service Initiative \$0.205M
----	---	---	---	-----	-----------------	---

HELP DRIVE A LOCAL CIRCULAR ECONOMY

7.	Develop and Procure high value processing contracts.	East Waste on behalf of engaged Member Councils will procure new long-term organic and co-mingled recycling contracts with a focus on ensuring the collected material is processed in a manner which retains and utilises the material at its highest order and so far as possible, locally.	Help Drive a Local Circular Economy	4.4	Vision Target	Recurrent
----	--	--	-------------------------------------	-----	---------------	-----------

PROVIDE LEADERSHIP

8.	Fleet Replacement	In line with the Long-Term Financial Plan, undertake the replacement of five (5) collection vehicles.	Provide Leadership	5.4	Vision Target	Capital \$2.200M
9.	WHS System Responsibility and Accountability	Continuation of ongoing Risk Management and Work Health & Safety systems and processes to provide a safe and healthy workplace for all employees and those which interact with us.	Provide Leadership	5.1	Implement best practice safety standards	Recurrent
10.	Develop Carbon Accounting	With a strong focus on emissions and carbon reporting, East Waste will undertake a project to identify the extent of its carbon emissions and future projects to target reduction.	Provide Leadership	5.4	Quality, transparent Corporate Activities.	Recurrent + Service Initiative \$0.025M



Budget Management

East Waste operates its waste collection services on a Common Fleet Costing methodology, whereby each respective Member Council is charged directly according to the proportionate time it takes to undertake their respective collection services. This is achieved through the utilisation of a specialised, highly accurate and powerful cloud-based, real-time GPS based system, supported and cross-checked by detailed reporting capabilities. As a result of this, minor variations in the common fleet percentages (and therefore apportioning of Common Fleet costs) occur from year-to-year to account for realised efficiencies, changes in the number of collections undertaken and movement in collection operating costs (e.g. housing inf-fill and developments, Fire Ban days and events).

The Tables on the following page provide a detailed summary of the key business activities undertaken by East Waste on behalf of its Member Councils. Table 1 provides a summary of the operating and capital income and expenditure elements forecasted for waste collection activities for 2024/25. Unsurprisingly the most significant expenditure relates to the logistical requirements of serving the kerbside collections across eight Councils and over 25% of Adelaide's residential population. Fleet replacement, which occurs on a cyclical annual basis, is currently funded via external loan borrowings.

As can be seen from Tables 2 and 3, one of the significant benefits of being an East Waste member is that on top of the highly competitive prices received as a result of aggregated buying power, no administrative, handling or on-costs are charged in relation to resource processing contracts held by East Waste or bin maintenance services. All are charged at-cost.

Labour, fuel costs and fleet maintenance remain the largest operation costs associated with collections (accounting for almost 80% of the common fleet costs). The labour market has been challenging over past 18 months and particularly the last six, requiring East Waste to undertake a market reset in order to attract and retain appropriate staff to carry out our service each day. This has impacted upon higher than CPI year on year increase required for FY25. Fuel has stabilised somewhat over the past 6 months, however the threat of volatility in this market is ever present. Borrowings are based on the most recent Local Government Finance Authority (LGFA) forecasts.

The FY25 increase sits higher than CPI, which is unusual for East Waste, however is consistent with the projected increase forecasted within the East Waste Long Term Financial Plan.

The budget to deliver this Annual Plan, along with all East Waste's Services and legislative requirements is detailed in the following proposed 2024/25 Financial Papers (refer Attachment 1 – 5).

Table 1: 2024/25 Budget Summary - Waste Collection Services

	Income	Expenditure	Net Surplus /Deficit
	\$	\$	\$
Recurrent- Waste Collection	18,043,182	17,785,958	257,225
Recurrent - Corporate Administration	416,421	-	416,421
Service Initiatives	-	495,000	(495,000)
Capital Program	-	2,308,500	(2,308,500)
Total	18,459,603	20,589,458	(2,129,855)

Table 2: 2024/25 Budget Summary - Bin Maintenance Services

	Income	Expenditure	Net Surplus /Deficit
	\$	\$	\$
Recurrent	1,543,605	1,543,605	-
Service Initiatives	-	-	-
Capital Program	-	-	-
Total	1,543,605	1,543,605	-

Table 3: 2024/25 Budget Summary - Waste Processing Services

	Income	Expenditure	Net Surplus /Deficit
	\$	\$	\$
Recurrent	5,827,332	5,827,332	-
Service Initiatives	-	-	-
Capital Program	-	-	-
Total	5,827,332	5,827,332	-

Financial Statements

EAST WASTE

Projected Statement of Comprehensive Income (Budgeted)
for the Financial Year Ending 30 June 2025

FY2023		FY2024	FY2024	FY2025
Audited Actuals		Adopted Budget	BR2	Proposed Budget
\$'000		\$'000	\$'000	\$'000
	Income			
21,188	User Charges	22,747	22,747	24,161
46	Investment income	20	55	56
-	Grants, subsidies and contributions	50	50	-
1,078	Other	1,322	1,372	1,544
22,312	Total	24,139	24,224	25,761
	Expenses			
7,476	Employee Costs	7,675	7,885	8,865
12,184	Materials, contracts & other expenses	13,275	13,514	13,324
2,108	Depreciation, amortisation & impairment	2,657	2,566	2,752
354	Finance costs	384	430	711
22,122	Total	23,991	24,395	25,652
190	Operating Surplus / (Deficit)	148	(171)	109
143	Asset disposals & fair value adjustments	18	60	70
333	Net Surplus / (Deficit)	166	(111)	179
-	Other Comprehensive Income	-	-	-
333	Total Comprehensive Income	166	(111)	179

EAST WASTE

Projected Balance Sheet (Budgeted)
for the Financial Year Ending 30 June 2025

FY2023		FY2024	FY2024	FY2025
Audited Actuals		Adopted Budget	BR2	Proposed Budget
\$'000		\$'000	\$'000	\$'000
	Assets			
	Current			
3,953	Cash & Cash Equivalents	3,001	2,100	2,695
746	Trade & Other Receivables	935	746	746
43	Inventory	50	43	43
4,742	Total	3,986	2,889	3,484
	Non-Current			
9,510	Infrastructure, Property, Plant & Equipment	10,490	11,066	13,696
9,510	Total	10,490	11,066	13,696
14,252	Total Assets	14,476	13,955	17,180
	Liabilities			
	Current			
1,266	Trade & Other Payables	1,311	1,216	1,227
2,306	Borrowings	2,200	2,355	2,285
871	Provisions	893	931	991
4,443	Total	4,404	4,502	4,503
	Non-Current			
8,490	Borrowings	8,402	8,185	11,170
136	Provisions	229	196	256
8,626	Total	8,631	8,381	11,426
13,069	Total Liabilities	13,035	12,883	15,929
1,183	Net Assets	1,441	1,072	1,251
	Equity			
1,183	Accumulated Surplus	1,441	1,072	1,251
1,183	Total Equity	1,441	1,072	1,251

EAST WASTE

Projected Statement of Cash Flows (Budgeted)
for the Financial Year Ending 30 June 2025

FY2023		FY2024	FY2024	FY2025
Audited Actuals		Adopted Budget	BR2	Proposed Budget
\$'000		\$'000	\$'000	\$'000
	Cash Flows from Operating Activities			
	Receipts			
22,455	Operating Receipts	24,069	24,119	25,705
46	Investment Receipts	20	55	56
	Payments			
(7,361)	Employee costs	(7,565)	(7,765)	(8,745)
(12,397)	Materials, contracts & other expenses	(13,275)	(13,514)	(13,324)
(304)	Interest Payments	(384)	(433)	(700)
2,439	Net Cash Flows from Operating Activities	2,865	2,462	2,992
	Cash Flows from Investing Activities			
	Receipts			
145	Sale of Replaced Assets	50	92	50
	Payments			
(587)	Expenditure on Renewal/Replaced Assets	(2,115)	(4,111)	(2,249)
(2,484)	Expenditure of New/Upgraded Assets	(40)	(40)	(60)
(2,926)	Net Cash Flows from Investing Activities	(2,105)	(4,059)	(2,259)
	Cash Flow from Financing Activities			
	Receipts			
4,525	Proceeds from Borrowings	2,115	2,115	2,114
	Payments			
(1,815)	Repayment of Lease Liabilities	(285)	(285)	(170)
(271)	Repayment of Borrowings	(1,944)	(2,086)	(2,081)
2,439	Net Cash Flow from Financing Activities	(114)	(256)	(138)
1,952	Net Increase (Decrease) in cash held	646	(1,853)	595
2,001	Cash & cash equivalents at beginning of period	2,355	3,953	2,100
3,953	Cash & cash equivalents at end of period	3,001	2,100	2,695

EAST WASTE

Projected Statement of Changes in Equity (Budgeted)
for the Financial Year Ending 30 June 2025

FY2023	FY2024	FY2024	FY2025
Audited Actuals	Adopted Budget	BR2	Proposed Budget
\$	\$'000	\$'000	\$'000
850 Balance at Start of Period - 1 July	1,275	1,183	1,072
333 Net Surplus / (Deficit) for Year	166	(111)	179
- Contributed Equity	-	-	-
- Distribution to Councils	-	-	-
1,183 Balance at End of Period - 30 June	1,441	1,072	1,251

EAST WASTE

Projected Uniform Presentation of Finances (Budgeted)
for the Financial Year Ending 30 June 2025

FY2023		FY2024	FY2024	FY2025
Audited Actuals		Adopted Budget	BR2	Proposed Budget
\$'000		\$'000	\$'000	\$'000
Income				
21,188	<i>User Charges</i>	22,747	22,747	24,161
46	<i>Investment income</i>	20	55	56
-	<i>Grants, subsidies and contributions</i>	50	50	-
1,078	<i>Other</i>	1,322	1,372	1,544
22,312		24,139	24,224	25,761
Expenses				
7,476	<i>Employee Costs</i>	7,675	7,885	8,865
12,184	<i>Materials, contracts & other expenses</i>	13,275	13,514	13,324
2,108	<i>Depreciation, amortisation & impairment</i>	2,657	2,566	2,752
354	<i>Finance costs</i>	384	430	711
22,122		23,991	24,395	25,652
190	Operating Surplus / (Deficit)	148	(171)	109
Net Outlays on Existing Assets				
(587)	<i>Capital Expenditure on Renewal and Replacement of Existing Assets</i>	(2,115)	(4,111)	(2,249)
2,108	<i>Depreciation, Amortisation and Impairment</i>	2,657	2,566	2,752
145	<i>Proceeds from Sale of Replaced Assets</i>	50	92	50
1,666		592	(1,453)	553
Net Outlays on New and Upgraded Assets				
(2,484)	<i>Capital Expenditure on New and Upgraded Assets</i>	(40)	(40)	(60)
-	<i>Amounts Specifically for New and Upgraded Assets</i>	-	-	-
-	<i>Proceeds from Sale of Surplus Assets</i>	-	-	-
(2,484)		(40)	(40)	(60)
(628)	Annual Net Impact to Financing Activities (Surplus/(Deficit))	700	(1,664)	602

ITEM 5.1 - ATTACHMENT B

DETAILED BREAKDOWN OF PROPOSED BUDGET MOVEMENT

FY2025 Original Proposed Budget	\$ Movement FY25 v FY24 Original Budget	% Movement FY25 v FY24 Original Budget	Commentary
\$ 18,043,182	\$ 1,330,585	7.96%	Increase based on draft FY25 budget against original adopted FY24 budget. Does not factor in endorsed FY24 Budget Review Two adjustment for the Driver Attraction & Retention Program to the value of \$250,000, funded through East Waste cash reserves.

OPTION 3

FY2025 Revised Budget	\$ Movement FY25 Revised v FY24 Original Budget	% Movement FY25 revised v FY24 Original Budget	Commentary
\$ 17,736,900	\$ 1,024,303	6.13%	Savings across various budget lines and reduction in FY25 Annual Plan projects as detailed in below. Retains budgeted 1% operating surplus and cash reserves.

Breakdown of Option 1A Budget Savings

Account Description	FY2025 Original Proposed	FY2025 Revised Budget	\$ Value Savings	Commentary
Consulting	\$ 250,500	\$ 165,500	\$ 85,000	FY25 Annual Plan Projects. \$60k reduction previously proposed for Member Council support to undertake weekly Organics trials and \$25k reduction allocated to development of carbon accounting project.
Fuel, Gas, Oil	\$ 2,508,907	\$ 2,432,354	\$ 76,553	Reduction in budgeted cost/litre of \$0.05/litre. Less conservative approach, however fuel prices remain at relative low rates. Revised oils and lubricants supplier contribute to savings.
Depreciation	\$ 2,751,971	\$ 2,706,973	\$ 44,998	3 month deferment in acquisition of new Trucks to 1 December 2024.
Audits/Contamination	\$ 30,000	\$ -	\$ 30,000	Reduction of allowance to undertake kerbside bin audits.
Interest Expense	\$ 710,700	\$ 694,000	\$ 16,700	Defer in settlement of LGFA Loans to match revised delivery timing of new truck purchases.
Community Education	\$ 230,000	\$ 220,000	\$ 10,000	Reduction for allowance of printed materials.
Staff Development	\$ 80,000	\$ 70,000	\$ 10,000	Reduction through consolidation of originally proposed staff training and conference attendance.
Legal Fees	\$ 25,000	\$ 15,000	\$ 10,000	Reduced allowance for legal advice.
Gain/Loss on disposal of assets	\$ 70,000	\$ 80,000	\$ 10,000	Positive adjustment following re-assessment of market value of proposed truck disposals.
Tools & Minor Equipment	\$ 10,000	\$ 5,000	\$ 5,000	Reduction in allowance for replacement of minor tools & equipment.
Subscriptions	\$ 13,000	\$ 8,000	\$ 5,000	Reduction in allowance for media monitoring.
			303,251	Total Budget Savings

OPTION 4

Description	FY2025 Original Proposed	FY2025 Revised Budget	\$ Value Savings	Commentary
Application of 1% Common Fleet Charge	\$ 175,613	\$ -	\$ 175,613	Removal of 1% Common Fleet Charge as outlined in East Waste's Budget Framework Policy. Impact is a budget saving of \$175,613 through reduced Common Fleet Charges to the value of 1% Budgeted Operating Surplus. Result is breakeven and preserves East Waste cash reserves.

OPTION 5 (3 & 4 COMBINED)

FY2025 Original Proposed Budget	\$ Movement FY25 Revised v FY24 Original Budget	% Movement FY25 Revised v FY24 Original Budget	Commentary
\$ 18,043,182	\$ 478,864	5.08%	Option 1A (Budget Savings) in addition to Option 1B (Removal of 1% Common Fleet Charge).

BUDGET FRAMEWORK POLICY	
--------------------------------	---

Type	Governance
Category	Finance
First Issued/Adopted	13 December 2018
Minutes Reference	29 April 2021
Review Period	24 Months
Last Reviewed	February 2023
Next Review	February 2025
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
Consultation Undertaken	Audit & Risk Management Committee
Responsible Officer	Manager Business Services

SIGNED:



.....
General Manager

Date: 23/02/2023



.....
Chairperson

Date: 23/02/2023

Purpose

East Waste as a Regional Subsidiary seeks to be accountable in all aspects of the budget development process and meet Member Council expectations of transparency, clarity, consistency, responsible financial management and reporting.

Importantly the Policy will assist with the retention of corporate knowledge and consistency across financial years in the accounting treatment and disclosure applied to services and events undertaken by the Authority.

As detailed below it is important to note that the Policy does not, and will not, abdicate from any applicable legislative or regulatory requirements (including Australian Accounting Standards where applicable). The Policy is intended to further enhance the governance structure surrounding the management and reporting of the Authority's budget activities, which are detailed in *the East Waste Charter*, Section 123 of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Background

The *East Waste Charter* and specifically *Sections 51-55*, set out the annual requirements for the Development of an Annual Plan and Budget. In summary:

- The Authority must, each financial year have an Annual Plan which supports and informs the budget;
- The Draft Annual Plan must be provided to Constituent Councils and consented to by an absolute majority of Constituent Councils before 31 May each year;
- The Authority must advise Constituent Councils of the proposed fees for the following Financial Year by April 1 of the preceding financial year.

The budget must also comply with the standards and principles prescribed by the *Local Government Act 1999* and applicable Regulations. The budget shall include budgeted financial statements, which must be presented, in a manner consistent with the Model Financial Statements.

Definitions

<p>Common Fleet Costing Charge</p>	<p>The charge to each Member / Constituent 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 an additional charge to Member Councils to incorporate any Return on Revenue targets imposed by this Policy.</p>
<p>Common Fleet Costs</p>	<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>
<p>Common Fleet Percentage</p>	<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 bin 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 (e.g. new service added or new Council commences with East Waste).</p>
<p>Constituent Council Share</p>	<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>
<p>Corporate Administration Fee</p>	<p>Set fee charged equally across all Member Councils. Refer to latter section titled <i>Corporate Administration Fee</i> for explanation.</p>
<p>Local Government Price Index</p>	<p>The Local Government Price Index (LGPI) measures price movements faced by Local Government in South Australia in respect of their purchases of goods and services. As the mix of goods and services purchased by Local Councils/Regional Subsidiaries is quite different from that typically consumed by households, overall price movements faced by Local Councils may differ markedly from those faced by households.</p>
<p>Member Councils</p>	<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>
<p>Model Financial Statements</p>	<p>Refers to the Model Financial Statements described in Regulation 4(3) of the <i>Local Government (Financial Management) Regulations 2011</i>.</p>

Budget Framework 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 Section 1 of the East Waste Charter). 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.

Preparation Schedule

The following timetable is to be annually applied in the development of the Annual Budget:

Month	Activity
Dec /January:	Develop Draft Annual Plan
January:	Develop Draft Annual Budget
February:	Board consideration and endorsement of Draft Annual Plan & Budget
March:	Draft Annual Plan & Budget sent to Member Councils for consideration
April/May:	Member Council endorsement of Draft Annual Plan
June:	East Waste Board adoption of Annual Plan & Budget
June / July:	Member Councils formally notified of Fees and provided endorsed copy of Annual Plan.

Budget Reviews

Legislation requires a budget update at least twice per year and a mid-year budget review. East Waste will present to the Audit & Risk Management Committee and Ordinary Board Meeting (and subsequently Member Councils), quarterly budget reviews at the meetings immediately following the following period ended:

- 30 September;
- 31 December; and
- 31 March

Preparation and presentation of budget information will be consistent with the Board's requested demands to ensure users are provided with the necessary information to discharge their duties and Member Council reporting requirements. Budget work papers will also ensure compliance with any reporting legislative requirements relating to the presentation and timing of budget revisions conducted, whilst at the same time acknowledging and protecting the financial integrity of East Waste operating in a commercially competitive environment.

*Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.*

Financial Targets

1. Financial Performance Target: 1% of Common Fleet Costing Charge.
2. Working capital requirements: retention of cash reserves equal to funding one quarter of estimated operational expenses requirements (including loan repayments).
3. Authority to maintain a \$1m bank overdraft facility for emergency purposes only.
4. The Authority shall remain in a positive Net Asset / Equity position at all times.
5. The Authority is to ensure it complies with the principles contained within the adopted Treasury Management Policy when considering the development and revision of the budget.

Principles

The following Principles underpin the Budget Development and budget review process.

1. Projected operating income is set to ensure sufficient funds are raised to meet all financial obligations (operating and capital) for the relevant financial year, taking into account the activities listed in the Authority's draft Annual Plan.
2. Should East Waste's annual adopted Common Fleet Costing Charges not be sufficient to recover projected costs for the financial year, at each budget review, the Board will determine whether Common Fleet Costing Charges are required to be increased to meet working capital requirements for the financial year. Any changes to Common Fleet Costing Charges are to be done in accordance with the principles set within the East Waste Charter and the *Local Government Act 1999*.
3. All expenditure decisions will align with the East Waste Strategic Plan.
4. Zero-based budget approach is to be adopted for the development of the annual budget in order to ensure each activity allocation remains relevant for the coming year.
5. A full cost recovery model to be employed for all services and activities. Budgets will be based on meeting agreed service levels or program activity commitments.
6. The Budget is to be established and reported upon according to the following four (4) key Business Units:

Common Fleet Activities: Represents all direct and Administrative costs associated with the Delivery of waste collection, fleet maintenance, waste management administration, education & promotions activities, regulatory compliance activities and funding debt servicing obligations related to common fleet plant & equipment (across 5 streams). Charged in accordance with common fleet allocation.

Bin Maintenance Activities: A cost recovery service charged to each individual Council for services directly associated with bin renewal, replacement and maintenance.

*Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.*

Waste Disposal Activities: A cost recovery activity against each individual Council for disposal costs incurred. Occurs only where the Member Council is not invoiced directly.

Corporate Administration: A set Administrative Fee charged equally amongst Member Councils (further detail below), along with ancillary income (interest, grants, asset sales etc).

Should East Waste expand its service offering to Constituent Councils and / or Non-Member Council customer(s) in future years, additional business units may need to be established and recognised in the next update of this Policy when required.

7. External borrowings will be used to fund the acquisition/construction of long-term assets used to provide services and not to fund or support recurrent service delivery costs.
8. Fleet and Motor Vehicle acquisition costs is to be funded via external loan borrowings. An annual review of this principle is to be confirmed by the Board through the budget adoption process.
9. Capitalisation threshold for all assets to be set for items that cost greater than \$3,000.
10. Term of loan borrowings to be taken over a period equal to the expected useful life of the asset. For any items with an indefinite useful life, the period of the loan is to be determined by the Board.
11. Assets depreciation is to be set over the expected life of the assets in accordance with Australian Accounting Standards (AASB) 116 Property, Plant and Equipment. Residual values will be applied to assets where there is an estimated 'salvage or trade-in' value for the asset at the end of its expected useful life.
12. The Corporate Administration Fee, along with the Common Fleet Costing charge for the five (5) key services, being kerbside collection (Landfill, Recycling & Organics), hard rubbish and street and reserve litter bins), to Member Councils is to be processed quarterly in advance based on the adopted Fees and Charges. All other charges to Member Councils are for reimbursement of costs incurred by the Authority which are invoiced at the end of the month incurred, following reconciliation. All invoices issued to Member Councils have payment terms of 14 days payable from the date of the invoice issued.
13. The Common Fleet Costing Charge is determined based on the servicing time of the previous financial year. Where there is a new service or incomplete data (i.e. the service was not undertaken for a full 12 months), an evidence-based approach will be used to calculate the Common Fleet percentage.
14. Where applicable the provision of non-core services to non-member Councils are to include a margin which reflects the risk, asset renewal and fair and reasonable administrative charges incurred.

Corporate Administration Fee

East Waste operates on a full cost recovery model for all services and activities. This is either direct recovery (e.g. disposal and processing fees) or via the common fleet percentage (e.g. collection fees and maintenance costs). The exception is the Corporate Administration Fee which is split equally (Constituent Council Share) across Member Councils.

For the 2022/23 budget process, the established base Administration Fee of \$255,174 was applied. For future years, the Administration Fee is to be annually increased by Adelaide Consumer Price Index percentage (Dec to Dec – AI Groups CPI). The Corporate Administrative Fee is to be reviewed through each Annual Budget process.