

EastWaste



ANNUAL REPORT 2016-2017



ANNUAL REPORT 2016-2017

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THE YEAR IN REVIEW 2016-2017

at a glance...

MORE THAN
97%

OF BINS
WERE RETURNED
UPRIGHT TO KERB
WITH LIDS CLOSED

55%

OF WASTE
DIVERTED FROM
LANDFILL

102,107

TONNES WAS COLLECTED

2,513

TONNES
OF HARD WASTE
COLLECTED

200,000

BINS
COLLECTED
EACH WEEK

OVER
6,000
WHICHBIN.COM.AU

PAGE VIEWS
SINCE WEBSITE LAUNCH
IN DECEMBER 2016

LAUNCH OF
Why Waste It?
CAMPAIGN



95%
SATISFACTION

RATING AMONGST
THE COMMUNITY WITHIN
OUR MEMBER COUNCILS

95%
SATISFACTION

RATING AMONGST
OUR CORPORATE
PARTNERS

**BASED ON FINANCIAL
PERFORMANCE
THROUGHOUT THE
2016-2017 FINANCIAL
YEAR THE EAST WASTE
BOARD RESOLVED NOT
TO INCREASE MEMBER
COUNCIL FEES FOR THE
2017/18 FINANCIAL YEAR**

THAT'S A
0%
INCREASE

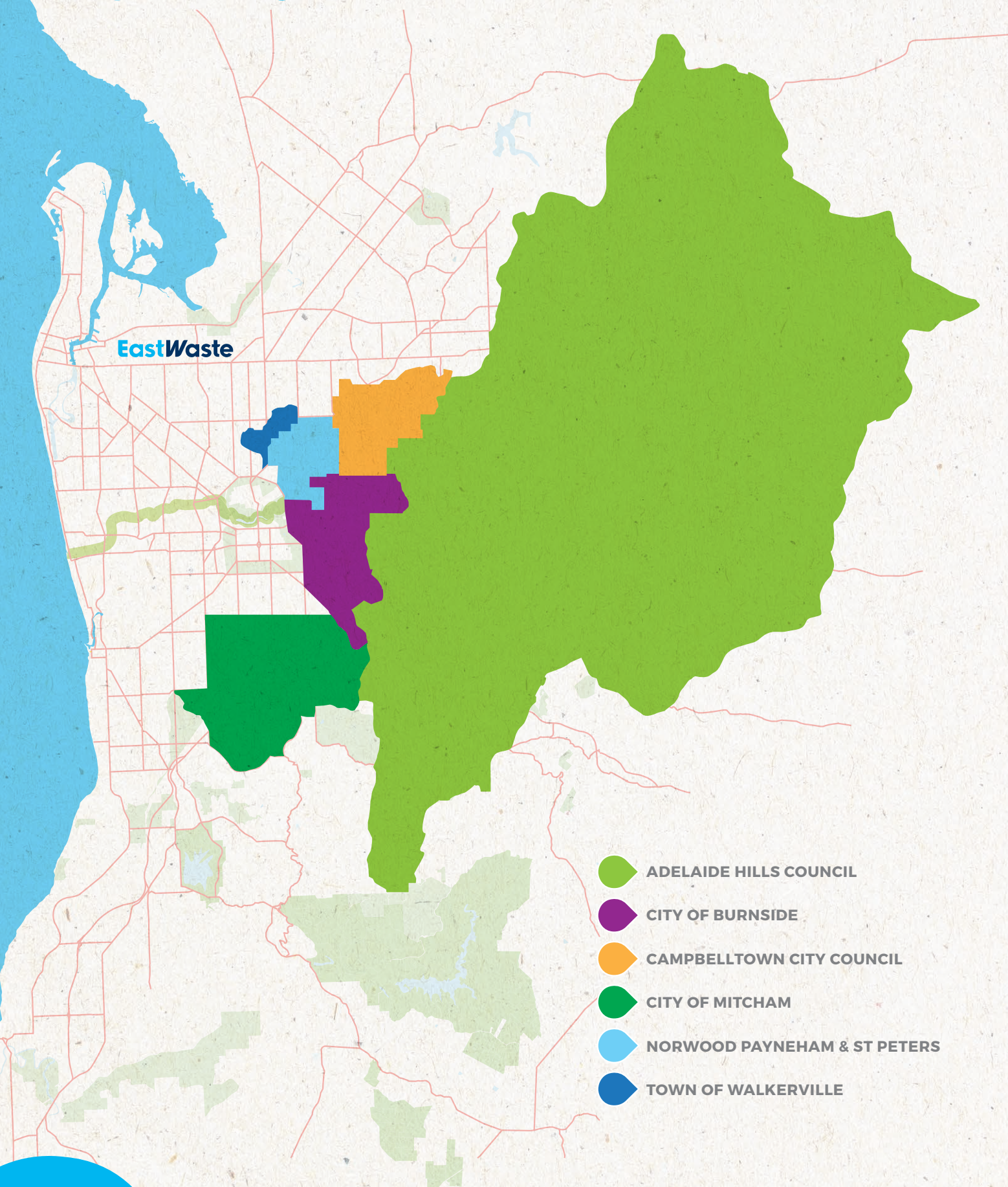
100%
COMPLIANCE

WITH THE 2016-2017
WHS AUDIT
REQUIREMENTS

**NEW SERVICES
COMMENCED**

**HARD WASTE COLLECTION SERVICE
FOR ADELAIDE HILLS COUNCIL**
**STREET LITTER BIN COLLECTION SERVICE
FOR CAMPBELLTOWN CITY COUNCIL**

EAST WASTE SERVICE AREA



ABOUT EAST WASTE

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, and the Corporation of the Town of Walkerville. These six Councils are referred to as Member or Constituent Councils of East Waste. East Waste is governed by a Charter pursuant to Section 43 of the *Local Government Act 1999* (the Charter).

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

The membership of the Board comprises of seven directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair. The Board appoints a General Manager who is responsible for implementing the decisions made by the Board, and running the day-to-day operations of East Waste.

East Waste's primary purpose is to provide effective waste collection services for its Member Councils. The exact nature of the waste collection services are determined independently by each Council to meet the needs of their respective communities.

East Waste operates on a cost share basis between Member Councils. This ensures Councils are not subject to providing varying levels of profit that are required by private sector operators, whilst still benefiting from efficiency, buying power and cost effectiveness through East Waste as a service provider.

From time to time, East Waste is contracted to provide waste collection services for other Councils (referred to as Client Councils).

The primary advantages from the East Waste delivery model can be summarised as:

- Appropriate economical return from the at-cost charging methodology based on GPS cost allocation;
- Enhanced quality of service by measuring and valuing quality capacities as well as financial indicators;
- Flexibility in service delivery allowing responsiveness to emerging community and market demands;
- Aligned values and strategic direction with Member Councils, to protect and promote reputation management;
- Reducing exposure of East Waste's services to the commercial profit-driven market.

Core Services

East Waste's core business is defined in the Charter as collection, recycling, and disposal of waste produced in the area of one or more of the Member Councils. This core business is undertaken in regard to the following broad understandings:

- Continually operate to the parameters set within the Charter;
- Deliver efficient, effective and value for money services for Member Councils;
- Maintain quality services that are quantified by certain metrics (i.e. >90% of bins returned upright to kerb with lids closed);
- Effective and positive complaint handling and timely resolution of complaints, and
- Vehicles are clean, maintained and well presented.

THE ROLLOUT OF THE 'WHY WASTE IT?' CAMPAIGN IS AIMED AT EDUCATING AND PROMOTING RESPONSIBLE BEHAVIOUR AROUND REDUCING WASTE AND IMPROVING RECYCLING, WITH THE ULTIMATE AIM TO REDUCE WASTE TO LANDFILL.



37 BANNERS

**AT PROMINENT SITES
THROUGHOUT OUR
MEMBER COUNCILS WITH
THE 'WHY WASTE IT?'
MESSAGE**

EAST WASTE CHAIRPERSON'S REPORT

It is with great pleasure that I can again report that East Waste has performed strongly. East Waste continues to deliver in accordance with its vision of providing a safe, high quality, low cost, waste and resource recovery collection service. We expect in the future that we will continue to respond to our various community's needs and we confidently look forward to an even greater impact in the enhanced education and promotion of responsible waste management within households through our revamped education programs.

I am pleased to offer you the following highlights, which provide some background to the outstanding results achieved for the year. East Waste's General Manager Rob Gregory will detail further successes and achievements in his 2016/17 Report.

Education Highlights

The 2016/17 Financial Year has seen the commencement of East Waste's "Why Waste it?" campaign. The campaign is aimed at educating and promoting responsible behaviour around reducing waste and improving recycling, with the ultimate aim to reduce waste being sent to landfill.

East Waste has received a great response in relation to the roll-out of the campaign, and some particular highlights are as follows:

Which Bin website (whichbin.com.au) – this micro-site is central to the campaign and provides residents and Member Councils with an A-Z guide with over 430 common household items, indicating 'which bin' they go in as well as alternative recycling and disposal options. The website also hosts a range of educational flyers, posters, banners, bin stickers and facts sheets for residents, schools and Member Councils to download.

Street signage and bus shelter campaigns – a recycling focused campaign was run from March to June. 'Why waste it? When you can recycle it' and 'Why waste it? Thank you for recycling it' messages were promoted through street signage, street banners and a bus shelter campaign.

Newsletters, Articles and Fact Sheets – East Waste has produced and disseminated regular articles and fact sheets across Member Council publications, websites, social media and e-news bulletins.

As per the 2016/17 Tonnage Data reported on page 17 this financial year has yet again seen 55% of waste diverted from landfill. This is a wonderful result which can be attributed to the encouraging behaviours of residents and the increasing impact of the education and promotion messaging being undertaken by East Waste and Member Councils.

Nil Fee Increase

The Audited Financial Statements for East Waste showed a significant operating surplus for the year of \$338,000.

This strong result is attributed to a number of factors which include; a clear strategic direction, a focused effort by all our staff, the introduction of operational efficiencies, the successful negotiation of longer term supply contracts, and lower fuel prices continuing to be realised.

The 2016/17 financial result is again consistent with previous financial years, and supports East Waste's Board commitment to providing a safe, high quality, low cost, waste and resource recovery collection service. Consistent with this commitment, the East Waste Board has resolved not to increase Member Council fees for the 2017/18 Financial Year. A 'nil fee increase' is an encouraging outcome in current economic conditions and reaffirms the prudent

EAST WASTE'S CONTINUED FOCUS ON QUALITY SERVICE DELIVERY THAT IS CONSISTENT, PROFESSIONAL AND EFFICIENT HAS RESULTED IN AN INCREASE IN SERVICES BEING OFFERED TO MEMBER COUNCILS IN THE 2016/17 FINANCIAL YEAR.



2,513
TONNES

**OF
HARD WASTE
COLLECTED**

EastWaste

EAST WASTE CHAIRPERSON'S REPORT

management and on-going execution of the Board's strategy.

New Member Council to Join East Waste

In November 2016 the City of Prospect conducted a Tender Call for the Provision of Collection Services for Household Waste, Recyclables, Organics, Street Litter and Hard Waste. The East Waste Board resolved to submit a tender and I am very pleased to advise that East Waste was successful in their tender, and the City of Prospect has resolved to join East Waste as a Member Council.

East Waste will commence providing services to City of Prospect as at 2 October 2017. This outcome is a real testament to the quality of the East Waste Business Model and the focus on efficiencies, innovation and continuous improvement.

The East Waste Board, staff and all Member Councils look forward to City of Prospect becoming a Member Council and working together into the future.

Thanks

Community, stakeholder and staff feedback recently received indicates that East Waste is responsive to community demands, and maintains awareness and continued expectations with respect to on-going service delivery.

This result provides a good segway into my final commentary whereby I would like to take the opportunity to say a warm "thank you" to Adam Faulkner (previous General Manager), who completed his tenure at East Waste at the end of the financial year due to accepting a CEO position with another organisation.

Adam has made a most significant contribution and impact to the performance of East Waste since his appointment in February 2014. He is passionate about the future direction of the local government and waste industry sectors, and this has been evident in his achievements as East Waste's General Manager. Adam has worked tirelessly to build and maintain strong relationships with our Member Councils, has developed a strong team around him and earned a strong "industry leader" reputation for East Waste.

We also welcome our new General Manager in Rob Gregory who has come to East Waste from his previous role as the Manager, City Services at the City of Norwood, Payneham and St Peters. Rob has a strong local and state government background and is very aware of the unique challenges waste subsidiaries face in demonstrating good value to member councils in a highly competitive industry. As a Board we welcome Rob and we look forward to his contribution to East Waste.

To all East Waste staff, I, together with the East Waste Board say thanks and well done on providing our Member Councils with excellent service, improving our efficiencies and complementing the Member Councils' reputations in each of their communities with high quality delivery of services.

The achievement of the above would not have been possible of course without the commitment and the continued direction of the Board of East Waste. The members of the Board continue to provide valuable professional support and guidance to the General Manager and his team. To all the Directors of East Waste I thank you for your guidance and support to East Waste. We look confidently forward to another successful year in 2017/18.

I commend the 2016-2017 East Waste Annual Report to you.



*Mr Brian Cunningham
Independent Chairperson*

THE 'WHY WASTE IT?' CAMPAIGN UTILISES STREET SIGNAGE AND BUS SHELTER MESSAGES - A RECYCLING FOCUSED CAMPAIGN WAS RUN FROM MARCH TO JUNE - 'WHY WASTE IT? WHEN YOU CAN RECYCLE IT' AND 'WHY WASTE IT? WHEN YOU CAN COMPOST IT'.



97%
OF BINS

**WERE RETURNED
UPRIGHT TO KERB
WITH LIDS CLOSED
IN 2016-17**

EastWaste

EAST WASTE GENERAL MANAGER'S REPORT

I would firstly like to express thanks to my predecessor, Mr Adam Faulkner. I have been fortunate enough to work with Adam in a stakeholder capacity for the past few years, which has allowed me to see first-hand the quality of achievements Adam has produced in his time as General Manager. I reiterate the comments of our Independent Chairman, Mr Brian Cunningham whereby Adam has made a significant and importantly lasting, impact and contribution to the performance of East Waste.

Adam's commitment to quality, consistency and efficiency measures has enabled East Waste to now be in the enviable position of having a reputation as an industry leader.

The working relationships with our Member Councils have flourished during Adam's tenure and he has built a lasting legacy in which we will continue to build upon.

The East Waste Board, staff and Member Councils wish Adam the very best as he embarks on his next opportunity and challenge.

New Member Council Services

East Waste's continued focus on quality service delivery that is consistent, professional and efficient has resulted in an increase in services being offered to Member Councils in the 2016/17 Financial Year.

As per the Services Matrix below, Adelaide Hills Council and City of Norwood, Payneham & St Peters resolved to appoint East Waste as the provider of their at-call hard waste service.

MEMBER COUNCIL	SERVICES											
	Weekly collection of general waste	Fortnightly Collection of Recyclables	Fortnightly Collection of Organics	Hard Waste	Litter Collection	Customer Service	Bin Repairs/Maintenance/Replacements	GPS Tracking	RFID Tracking	Recyclables Contract	Organics Contract	Education and Promotion
Adelaide Hills Council	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
City of Burnside	✓	✓	✓	✓		✓		✓	✓	✓	✓	✓
Campbelltown City Council	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
City of Mitcham		✓	✓	✓		✓	✓	✓		✓	✓	✓
City of Norwood, Payneham & SP	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Corp Town of Walkerville	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓

East Waste is committed to maintaining the expected levels of repeatable quality in the delivery of all services, and will continue to build on the suite of services and capabilities it can offer Member Councils.

**THE ENVIRONMENTAL AND FINANCIAL BENEFITS FROM
SEPARATING OUT HOUSEHOLD RECYCLABLES AND ORGANICS
AND PLACING THEM IN THE CORRECT BIN ARE SIGNIFICANT.**



OVER
430
ITEMS

**CAN BE FOUND ON THE
WHICH BIN A-Z GUIDE TO
HOUSEHOLD ITEMS
whichbin.com.au**

EastWaste

EAST WASTE GENERAL MANAGER'S REPORT

In addition, Campbelltown City Council also resolved to appoint East Waste as the provider of their Street Litter Bin Collection Service.

Community and Staff Survey Results

In 2015 East Waste conducted its first community, Council and staff satisfaction survey process, which resulted in a high satisfaction rate with the services provided by East Waste.

Noting the passage of time and introduction of further improvements, changes and innovations, East Waste undertook a 'pulse check' survey process in 2017.

To ensure the quality of the fleet is maintained, the following 'non-negotiables' are applied:

- All collection vehicles are fully integrated with a GPS system that provides the location of the vehicle at all times;
- Each collection vehicle is fitted with four (4) cameras (front, rear and sides) to assist drivers with their vision;
- Reverse sensor technology on all vehicles;
- Daily inspections of vehicles, including tyre inspection;



I am pleased to report that East Waste achieved a very high 95% satisfaction rating with the services provided to residents, Member Councils and stakeholders.

This positive result supports East Waste's vision and provides encouragement in continuing to offer a high quality, low cost, essential waste and recycling collection service to our Member Councils.

Fleet Management

East Waste is committed to maintaining a fleet of collection vehicles that are high performing, reliable and safe. East Waste adheres to an annual fleet replacement program that ensures that no vehicle in our fleet older than eight (8) years.

- Servicing of all collection vehicles at 100 and 400 completed engine hours; and
- An approved independent contractor conducts an annual audit/inspection of the entire East Waste collection fleet.

Innovation and Technology

The 2016/17 Financial Year has seen East Waste invest in and trial innovative technologies in an effort to maximise service delivery to residents. The technology procured has assisted East Waste in optimising collection routes for drivers, which in turn has enabled us to increase the capabilities of our Common Fleet across all Member Council services areas.

EAST WASTE WILL CONTINUE TO INVEST IN INNOVATION TRIALS AND TECHNOLOGY IMPROVEMENTS WHERE POSSIBLE TO ENSURE WE ARE AT THE FORE FRONT OF WASTE COLLECTION AND EDUCATION FOR OUR MEMBER COUNCILS AND THEIR RESIDENTS.



55%
OF WASTE

**DIVERTED FROM
LANDFILL IN THE 2016-2017
FINANCIAL YEAR**

EAST WASTE GENERAL MANAGER'S REPORT



In addition, East Waste has invested in trial technology to assist in the analysis and support of our education and promotion campaign. This technology enables East Waste to determine the effectiveness of the education and promotion campaign, and therefore enhance or adjust strategies in maximising the benefits of the education focus.

East Waste would like to thank Green Industries SA for providing grant funding for this important trial, and looks forward to providing on-going updates and results regarding the outcomes of the trial.

East Waste will continue to invest in innovation trials and technology improvements where possible to ensure we are at the forefront of waste collection and education for our Member Councils and their residents.

Thanks

Finally, I would like to say thank you to the hard-working staff of East Waste and their on-going commitment in supporting the East Waste Board and our Member Councils. The team works closely together to ensure East Waste meets its vision now and into the future, so my thanks goes to you all.

As General Manager, I look forward to working with Member Councils, the Board and staff to deliver the requirements of the 2017/18 adopted Annual Plan and Budget and ultimately continue to improve the performance of East Waste.



*Rob Gregory
General Manager*

THE WHICH BIN WEBSITE ALSO HOSTS A RANGE OF EDUCATIONAL FLYERS, POSTERS, BANNERS, BIN STICKERS AND FACTS SHEETS FOR RESIDENTS, SCHOOLS AND MEMBER COUNCILS TO DOWNLOAD.



OVER
6,000
WHICHBIN.COM.AU

**PAGE VIEWS
SINCE WEBSITE LAUNCH
IN DECEMBER 2016**

EAST WASTE TONNAGE DATA

Using a frontline fleet of low emission collection vehicles, in 2016/2017 a total of 102,107 tonnes of household waste, green organics and recyclables was collected from East Waste Member Council households.

Across all the East Waste Member Councils, 56,086 tonnes (or 55%) were diverted from landfill. This equates to over half all of the materials presented by residents in their wheelie bins being recycled and turned into new packaging materials, or composted into products to improve soil health in South Australia.

The diversion rate achieved by Member Councils again builds on last financial year's result and is an encouraging trajectory attributable to responsible

resident behaviour and East Waste's continued focus on education and promotion, which is aimed at assisting communities in continuing to improve recycling rates.

The environmental and financial benefits from separating out household recyclables and organics and placing them in the correct bin are significant, and the waste minimisation education and promotion campaign aims to continue the positive momentum in this area.

KERBSIDE TONNAGE COLLECTED 2016/17	RECYCLABLES	ORGANICS	WASTE
ADELAIDE HILLS COUNCIL	3,628	3,662	7,076
CITY OF BURNSIDE	4,057	6,946	7,943
CITY OF MITCHAM	6,092	9,844	12,759*
NORWOOD PAYNEHAM & ST PETERS	3,573	4,934	7,098
CAMPBELLTOWN CITY COUNCIL	4,402	7,172	9,655
TOWN OF WALKERVILLE	633	1,143	1,490

*The City of Mitcham manages the collection of waste for its residents.

EAST WASTE GOVERNANCE

East Waste is administered by a Board in accordance with the requirements of the *Local Government Act 1999*, the Charter, and various other policies and codes.

The membership of the Board comprises of seven directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair. The Board appoints a General Manager who is responsible for implementing the decisions made by the Board, and running the day-to-day operations of East Waste. The Board held seven formal meetings over the 2016 – 2017 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	7 of 7
Cr Linda Green (Adelaide Hills Council)	6 of 7
Cr Grant Piggott¹ (City of Burnside)	2 of 4
Mr Paul Di Iulio (Campbelltown City Council)	6 of 7
Cr Karen Hockley (City of Mitcham)	6 of 7
Mr Mario Barone PSM² (City of Norwood, Payneham & St Peters)	3 of 7
Cr Graham Webster³ (Corporation of the Town of Walkerville)	1 of 1
Cr Gianni Busato⁴ (Corporation of the Town of Walkerville)	4 of 6

¹ Appointed to Board November 2016, effective January 2017

² Period of extended health leave

³ Board term completed November 2016

⁴ Appointed to Board November 2016



Mr Brian Cunningham
Independent Chairperson



Cr Linda Green
Adelaide Hills Council



Cr Grant Piggott
City of Burnside



Mr Paul Di Iulio
Chief Executive Officer
Campbelltown City Council



Cr Karen Hockley
City of Mitcham



Mr Mario Barone PSM
Chief Executive Officer
City of Norwood, Payneham
& St Peters



Cr Graham Webster
The Corporation of the
Town of Walkerville



Cr Gianni Busato
The Corporation of the
Town of Walkerville

AUDIT & RISK MANAGEMENT COMMITTEE

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

The functions of the Committee include:

- Reviewing annual financial statements to ensure that they provide a timely and fair view of the state of affairs of the subsidiary;
- Liaise with external auditors; and
- Reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the subsidiary on a regular basis.

The Committee held five formal meetings over the 2016 – 2017 financial year.

The Audited Financial Statements for the year ending 30 June 2017 are provided from page 22.





FINANCIAL STATEMENTS

2016 2017

ANNUAL REPORT

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CERTIFICATION OF FINANCIAL STATEMENTS


EASTERN WASTE MANAGEMENT AUTHORITY INC

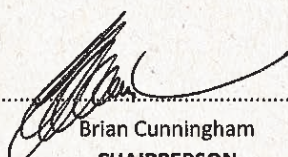
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2017

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 2017 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.


Rob Gregory
EXECUTIVE OFFICER


Brian Cunningham
CHAIRPERSON

Date: 21/09/17

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
INCOME			
User charges	2	13,068	12,573
Investment income	2	30	36
Grants, subsidies and contributions		40	-
Other	2	408	382
Total Income		13,546	12,991
EXPENSES			
Employee costs	3	5,164	4,803
Materials, contracts & other expenses	3	6,007	6,267
Finance costs		332	335
Depreciation, amortisation & impairment	3	1,724	1,595
Total Expenses		13,227	13,000
OPERATING SURPLUS / (DEFICIT)		319	(9)
transfer to Equity Statement			
Asset disposal & fair value adjustments	4	20	37
Amounts received specifically for new/upgraded assets		-	-
NET SURPLUS / (DEFICIT)		339	28
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		339	28

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,984	2,798
Trade & other receivables	5	412	359
Total Current Assets		2,396	3,157
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	6,046	5,332
Total Assets		8,442	8,489
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	826	1,870
Provisions	7	491	609
Borrowings	7	1,701	1,417
Total Current Liabilities		3,018	3,896
Non-current Liabilities			
Borrowings	7	4,741	4,374
Provisions	7	72	69
Total Non-current Liabilities		4,813	4,443
Total Liabilities		7,831	8,339
NET ASSETS		611	150
EQUITY			
Accumulated Surplus		611	150
TOTAL EQUITY		611	150

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2017			
Balance at end of previous reporting period		150	150
Net Surplus/ (Deficit) for Year		339	339
Other Comprehensive Income			
Contributed Equity		122	122
Distributions to Member Councils		3	-
Balance at end of period		611	611

	Notes	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2016			
Balance at end of previous reporting period		277	277
Net Surplus/ (Deficit) for Year		28	28
Other Comprehensive Income			
Contributed Equity		122	122
Distributions to Member Councils		(277)	(277)
Balance at end of period		150	150

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

STATEMENT OF CASH FLOWS AS AT 30 JUNE 2017

	Notes	2017 \$'000	2016 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Operating receipts		13,465	13,721
Investment receipts		28	36
<i>Payments</i>			
Employee costs		(5,279)	(4,875)
Materials, contracts & other expenses		(7,063)	(6,125)
Finance payments		(320)	(391)
Net Cash provided by (or used in) Operating Activities	8	831	2,366
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts</i>			
Sale of replaced assets	4	104	39
Sale of surplus assets	4	-	66
<i>Payments</i>			
Expenditure on renewal/replacement of assets	6	(2,522)	(202)
Expenditure on new/upgraded assets		-	-
Distributions to member councils		-	(277)
Net Cash provided by (or used in) Investing Activities		(2,418)	(374)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts</i>			
Capital contribution by member councils		122	122
Proceeds from Borrowings		1,926	-
<i>Payments</i>			
Repayments of Borrowings		(1,275)	(1,412)
Net Cash provided by (or used in) Financing Activities		773	(1,290)
Net Increase (Decrease) in cash held		(814)	702
Cash & cash equivalents at beginning of period	8	2,798	2,096
Cash & cash equivalents at end of period	8	1,984	2,798

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

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 City of Burnside, City of Norwood, Payneham & St Peters, Campbelltown City Council, Corporation of the Town of Walkerville, City of Mitcham and Adelaide Hills Council. The six 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) for the first time this year.

2 The Local Government Reporting Entity

Eastern Waste Management Authority Inc. operates as a regional subsidiary pursuant to Section 43 of the *Local Government Act 1999* and Section 25 of the *Local Government Implementation Act 1999*.

3 Income Recognition

Income is measured at the fair value of the consideration received or receivable. Income is recognised when the Authority obtains control over the assets comprising the income, or when the amount due constitutes an enforceable debt, whichever first occurs.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

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

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".

5.1 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.

5.2 Materiality

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

5.3 Depreciation of Non-Current Assets

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

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

Plant & Equipment	5 to 10 years
Buildings & Other Structures	5 – 20 years

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

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.

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 the Local Government Superannuation Scheme. The Scheme has two types of membership, each of which is funded differently.

Accumulation Fund Members

Accumulation fund members receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2016/17; 9.5% in 2015/16). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Defined Benefit Members

Defined benefit scheme is where the benefit payable is based on a formula determined by the member's contribution rate, number of years of contribution and final average salary. The Authority makes employer contributions as determined by the scheme's Trustee based on advice from the Scheme's Actuarial.

The most recent full actuarial investigation conducted by the Scheme's actuary, A C Miller, FIAA, of Russell Employee Benefits Pty Ltd as at 30 June 2014. 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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

8 Leases

Lease arrangements have been accounted for in accordance with AASB 117.

In respect of finance leases, where the Authority substantially carries all the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed as assets under lease, and are amortised to expense over the period during which the Authority is expected to benefit from the use of the leased assets.

Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

In respect of operating leases, where the lessor substantially retains all of the risks and benefits incident to ownership of the leased items, lease payments are charged to expense over the lease term.

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.

Comparative information in the Statement of Cash Flows have been amended to reclassify capital contributions by Member Councils from Investing Activities to Financing Activities. There is no impact on the previously reported financial performance or position of the Authority as a result of this change.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT)

12 New Accounting Standards

In the current year, the Authority adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Authority's accounting policies.

Certain new accounting standards have been published that are not mandatory for the 30 June 2017 reporting period and have not been used in preparing these reports.

The Authority is of the view that none of the new standards or interpretations will affect any of the amounts recognised in the financial statements, but that they may impact certain information otherwise disclosed.

13 Highbury Landfill Authority Inc.

The Authority, originally known as the East Torrens Municipal Destructor Trust, was established on 19 July 1928 (the name change took place in 1993). As at 1 July 2004, the Authority comprised of 3 Member Councils, being the City of Norwood, Payneham & St Peters, City of Burnside and the Corporation of the Town of Walkerville.

On 5 August 2004, the City of Norwood, Payneham & St Peters, the City of Burnside and the Corporation of the Town of Walkerville established the Highbury Landfill Authority Inc. Its purpose included the facilitation of the closure and the post closure of the Highbury Landfill site, as well as managing the joint interests and liability of the Councils in relation to the closure of the site.

On 31 December 2004 the property known as the Highbury Landfill site was transferred from East Waste to Highbury Landfill Authority Inc.

On 1 January 2005, the Authority's Charter was amended to include the three new Member Councils – the City of Mitcham, the City of Campbelltown and the Adelaide Hills Council.

On 1 January 2005 a loan was created between the Authority and the Highbury Landfill Authority that represented the net value of assets in East Waste prior to 1 January 2005. This was an At Call Loan and interest had been capitalised until the loan was called in by the Highbury Landfill Authority in November 2008. The loan amount was \$873,000 and the Authority borrowed the money from the National Australia Bank with an Interest Only Loan. This loan has now been re-financed through the Local Government Finance Authority, to be repaid in 10 years.

The Board of the Authority resolved in February 2010 to charge Member Councils the loan repayments for this loan in their equity percentages as set out in the January 2006 Charter.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2 - INCOME

	Notes	2017 \$'000	2016 \$'000
USER CHARGES			
Household Refuse		4,173	4,181
Administration		215	209
Green Organics		3,531	3,435
Recyclables		3,178	3,192
Hardwaste		651	518
Litter		305	265
Waste Disposal		1,015	773
Recycle Rebate		815	698
Recycle Rebate - Member Councils		(815)	(698)
		13,068	12,573
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		30	35
Banks & other		-	1
		30	36
OTHER INCOME			
Bin Supply		164	101
Replacement Bins		137	107
Sundry		107	174
		408	382

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3 - EXPENSES

	Notes	2017 \$'000	2016 \$'000
EMPLOYEE COSTS			
Salaries and Wages		3,922	3,742
Employee leave expense		(114)	(72)
Superannuation		308	374
Wages Casual Agency		718	493
Workers' Compensation Insurance		200	172
Other		130	94
Total Operating Employee Costs		5,164	4,803
Total Number of Employees (Full Time Equivalent as at reporting date)		51	49
MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration		9	8
Board Expenses		25	24
Lease costs		240	78
Subtotal - Prescribed Expenses		274	110
Other Materials, Contracts & Expenses			
Advertising & Promotion		68	42
Disposal Fees		2,247	1,901
Dumping Fees		-	17
Electricity		34	35
Fuel, Gas & Oil		764	735
GPS Expenses		64	49
Insurance		21	25
Legal Expenses		27	18
Maintenance		1,516	1,210
Parts, Accessories & Consumables		63	43
Printing, Stationery & Postage		44	38
Professional Services		319	224
Rebate to Member Councils		-	1,138
Registration & Insurance - Trucks		272	222
Sundry		258	424
Telephone		36	36
Subtotal - Other Materials, Contracts & Expenses		5,733	6,157
		6,007	6,267
DEPRECIATION			
Buildings & Other Structures		7	7
Plant, Machinery & Equipment		1,717	1,588
		1,724	1,595

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 4 - ASSET DISPOSAL

Notes	2017 \$'000	2016 \$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT		
<i>Assets renewed or directly replaced</i>		
Proceeds from disposal	104	105
Less: Carrying amount of assets sold	84	68
Gain (Loss) on disposal	20	37

NOTE 5 - CURRENT ASSETS

CASH & EQUIVALENT ASSETS

Cash on Hand and at Bank	1,477	1,510
Deposits at Call	507	1,288
	1,984	2,798

TRADE & OTHER RECEIVABLES

Debtors - general	396	358
Accrued Income	2	-
Prepayments	14	1
	412	359

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2017 \$'000	2016 \$'000
Buildings & Other Structures - At Cost		78	82
Accumulated Depreciation		(40)	(37)
		38	45
Plant, Machinery & Equipment		12,571	11,814
Accumulated Depreciation		(6,563)	(6,527)
		6,008	5,287
Total Property, Plant & Equipment		6,046	5,332

	2016 \$'000	CARRYING AMOUNT MOVEMENT DURING YEAR \$'000				2017 \$'000
	Carrying Amount	Additions		Disposals	Depreciation	Carrying Amount
		New/ Upgrade	Renewal			
Buildings & Other Structures	45	-	-	-	(7)	38
Plant, Machinery & Equipment	5,287	-	2,522	(84)	(1,717)	6,008
Total Property, Plant & Equipment	5,332	-	2,522	(84)	(1,724)	6,046
2016 Totals	6,793	2	200	(68)	(1,595)	5,332

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 7 - LIABILITIES

Notes	2017 \$'000		2016 \$'000	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	703	-	516	-
Accrued expenses - rebate to member councils	-	-	1,252	-
Accrued expenses - other	123	-	102	-
	826	-	1,870	-
BORROWINGS				
Loans	1,701	4,741	1,417	4,374
	1,701	4,741	1,417	4,374
PROVISIONS				
Annual Leave	183	-	171	-
Long Service Leave	308	72	438	69
	491	72	609	69

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8 - RECONCILIATION TO CASH FLOW STATEMENT

(a) Reconciliation of Cash

Cash Assets comprise highly liquid investments with short periods to maturity subject to insignificant risk of changes of value. Cash at the end of the reporting period as shown in the Cash Flow Statement is reconciled to the related items in the Statement of Financial Position as follows:

	Notes	2017 \$'000	2016 \$'000
Total cash & equivalent assets	5	1,984	2,798
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		1,984	2,798

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

Net Surplus (Deficit)		339	28
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		1,724	1,595
Net increase (decrease) in unpaid employee benefits		(65)	(72)
Net increase (decrease) accrued interest charges		10	-
(Gain) / Loss on Disposal		(20)	(38)
		1,988	1,513
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(51)	(109)
Net increase (decrease) in trade & other payables		(1,056)	962
Net increase (decrease) in other provisions		(50)	-
Net Cash provided by (or used in) operations		831	2,366

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	-	-
- Non-cash grants & contributions	-	-
Amounts recognised in Income Statement	-	-
- Finance Leases	-	-

Total Non-Cash Financing and Investing Activities

-	-
---	---

(d) Financing Arrangements

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

The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, *Accounting Policy:* Carried at lower of cost and net realisable value; Interest is recognised when earned.

Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 1.25% (2016: 1.85%).

Carrying amount: Approximates fair value due to the short term to maturity.

Receivables - Gate Fees & Associated Charges *Accounting Policy:* Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.

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 (after deduction of any allowance).

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.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9 - FINANCIAL INSTRUMENTS (CONT)

Liquidity Analysis

2017	Interest Rate	Floating ≤ 1 year	Fixed Interest > 1 year ≤ 5 years	Maturing In > 5 years	Non- Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Financial Assets

Fair Value through P&L

Cash Assets	1,477	507	-	-	-	1,984
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Loans & Receivables

Receivables	-	-	-	-	412	412
-------------	---	---	---	---	-----	-----

Total	1,477	507	-	-	412	2,396
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Financial Liabilities

Payables	-	-	-	-	826	826
----------	---	---	---	---	-----	-----

Current Borrowings	-	1,701	-	-	-	1,701
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Non-Current Borrowings	-	-	3,350	1,391	-	4,741
------------------------	---	---	-------	-------	---	-------

Total	-	1,701	3,350	1,391	826	7,268
--------------	----------	--------------	--------------	--------------	------------	--------------

EXCESS OF FINANCIAL ASSETS OVER LIABILITIES

1,477	(1,194)	(3,350)	(1,391)	(414)	(4,872)
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2016

	Interest Rate	Floating ≤ 1 year	Fixed Interest > 1 year ≤ 5 years	Maturing In > 5 years	Non- Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Fair Value through P&L

Cash Assets	1,510	1,288	-	-	-	2,798
-------------	-------	-------	---	---	---	-------

Loans & Receivables

Receivables	-	-	-	-	358	358
-------------	---	---	---	---	-----	-----

Total	1,510	1,288	-	-	358	3,156
--------------	--------------	--------------	----------	----------	------------	--------------

Financial Liabilities

Payables	-	-	-	-	516	516
----------	---	---	---	---	-----	-----

Current Borrowings	-	1,417	-	-	-	1,417
--------------------	---	-------	---	---	---	-------

Non-Current Borrowings	-	-	3,804	244	-	3,804
------------------------	---	---	-------	-----	---	-------

Total	-	1,417	3,804	244	516	5,737
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EXCESS OF FINANCIAL ASSETS OVER LIABILITIES

1,510	(129)	(3,804)	(244)	(158)	(2,581)
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 10 - COMMITMENTS FOR EXPENDITURE

Notes	2017 \$'000	2016 \$'000
Expenditure Commitments		
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:		
Audit Services	9	8
Truck Fleet Replacement	1,814	-
	1,823	8
These expenditures are payable:		
Not later than one year	1,823	8
Later than one year and not later than 5 years	-	-
Later than 5 years	-	-
	1,823	8

NOTE 11 - OPERATING LEASES

Lease payment commitments of Authority

No contingent rentals were paid during the current or previous reporting periods. No lease imposes any additional restrictions on the Authority in relation to additional debt or further leasing.

No lease contains any escalation clause. Commitments under non-cancellable operating leases that have not been recognised in the financial statements are as follows:

Not later than one year	252	245
Later than one year and not later than 5 years	807	782
Later than 5 years	889	1,167
	1,948	2,194

NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

As at the time of preparing the Financial Statements, as required by the *Local Government Act 1999* the Authority has applied to the Minister of Local Government to seek approval to allow the City of Prospect to become a Member Council. Subject to approval by the Minister, it is expected that the City of Prospect will be a Member Council of the Authority as from October 2017.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

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

	2017 \$'000
Salaries, allowances & other short term benefits	370
Long term benefits	30
TOTAL	400

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	2,935	2	Provision of kerbside waste collection and hardwaste
City of Burnside	2,188	73	Provision of kerbside waste collection and hardwaste
City of Mitcham	2,503	45	Provision of kerbside waste collection and hardwaste
City of Norwood, Payneham & St Peters	2,241	12	Provision of kerbside waste collection and hardwaste
Corporation of the City of Campbelltown	2,918	1	Provision of kerbside waste collection and hardwaste
Corporation of the Town of Walkerville	468	112	Provision of kerbside waste collection and hardwaste

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 5.

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.

CERTIFICATION OF AUDITOR INDEPENDENCE


ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2017

CERTIFICATION OF AUDITOR INDEPENDENCE

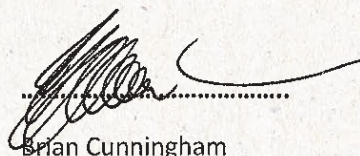
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the East Waste Management Authority Inc. for the year ended 30 June 2017, the Authority's Auditor Benthall has maintained its independence in accordance with the requirements of the *Local Government 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22(3) *Local Government (Financial Management) Regulations 2011*.



Rob Gregory

EXECUTIVE OFFICER



Brian Cunningham

PRESIDING MEMBER

AUDIT COMMITTEE

Date: 21 SEPTEMBER 2017

STATEMENT OF INDEPENDENT AUDITOR



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Certification of Auditor Independence

I confirm that, for the audit of the financial statements of Eastern Waste Management Authority Inc for the year ended 30 June 2017, 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.

David Papa
Partner
Bentleys SA Audit Partnership

Dated at Adelaide this 21 September 2017



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INDEPENDENT AUDITOR'S REPORT



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

Opinion

We have audited the accompanying financial report of the Eastern Waste Management Authority Inc, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other 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 2017, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

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

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

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

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

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

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



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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

**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.

Paragraph 41(b) of ASA 700 explains that the italicised material below can be located in an Appendix to the auditor's report.

Paragraph 41(c) of ASA 700 explains that when law, regulation or national auditing standards expressly permit, reference can be made to a website of an appropriate authority that contains the description of the auditor's responsibilities, rather than including this material in the auditor's report, provided that the description on the website addresses, and is not inconsistent with, the description of the auditor's responsibilities below. When the auditor refers to a description of the auditor's responsibilities on a website, the appropriate authority is the Auditing and Assurance Standards Board and the website address is <http://www.auasb.gov.au/Home.aspx>.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.*
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.*
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.*
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.*
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.*

INDEPENDENT AUDITOR'S REPORT (CONTINUED)



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

BENTLEYS SA AUDIT PARTNERSHIP

A handwritten signature in black ink, appearing to read 'David Papa', written over a horizontal line.

DAVID PAPA
PARTNER

Dated at Adelaide this 27 day of September 2017

THE EAST WASTE BOARD SAY THANK YOU TO ALL STAFF AND WELL DONE ON PROVIDING OUR MEMBER COUNCILS WITH EXCELLENT SERVICE, IMPROVING OUR EFFICIENCIES AND COMPLEMENTING THE MEMBER COUNCILS' REPUTATIONS IN EACH OF THEIR COMMUNITIES.



100%

COMPLIANCE

**WITH THE 2016-2017
WHS AUDIT
REQUIREMENTS**

EastWaste

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East Waste provides helpful customer service to the operational staff at Member Councils, thinks in a future-focused and proactive manner, keeps costs at a minimum and achieves operational efficiency.

**East Waste
Corporate Customer Survey Response
May 2017**