

ANNUAL REPORT

2017

2018

EastWaste



WELCOME

TO THE
CITY OF PROSPECT

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

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2017-2018
THE YEAR IN REVIEW

22,528 3,346

TONNES OF RECYCLING
DIVERTED FROM
LANDFILL

TONNES OF
HARD WASTE
COLLECTED



A TOTAL OF

104,564

KERBSIDE TONNES COLLECTED



4.5

TONNES OF E-WASTE
COLLECTED FROM
3 MEMBER COUNCILS

32,885

TONNES OF ORGANIC WASTE
DIVERTED FROM
LANDFILL

2017-2018
THE YEAR IN REVIEW

5,500

RESIDENTS RECEIVING
'SPOTLIGHT ON WASTE'
NOTIFICATIONS EACH WEEK

3,220

PEOPLE REACHED IN
FACE TO FACE EDUCATION
WORKSHOPS & DISPLAYS



OVER

220,000

BINS COLLECTED EVERY WEEK



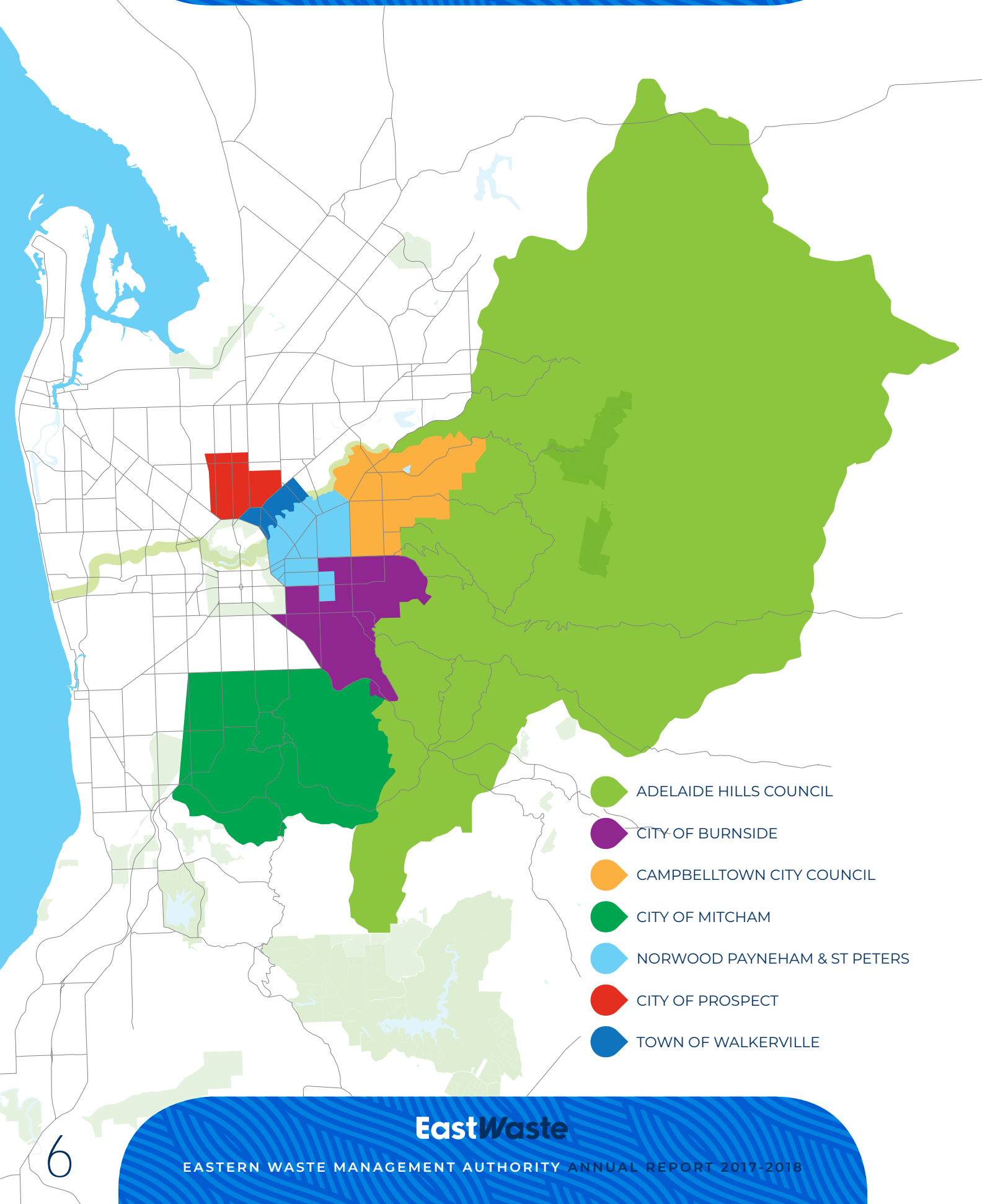
ZERO

FEE INCREASE TO OUR
MEMBER COUNCILS FOR
EAST WASTE SERVICES

19,500

PEOPLE REACHED PER
MONTH VIA EAST WASTE
SOCIAL MEDIA PLATFORMS

EAST WASTE SERVICE AREA



EAST WASTE CHAIRPERSON'S REPORT

I write this report at a time of great public interest in the resource recovery industry. The impact of the China Sword Recycling decision has resulted in some short term challenges to the recyclables industry, but has also opened up some exciting opportunities.

As a waste and resource recovery collection business, East Waste has not been immune from the impacts of the China Sword decision, however I am pleased to report that East Waste has been proactive in its response to the short-term challenges presented and continues to show leadership in ensuring on-going viability of the recycling process, details of which I provide further in my report.

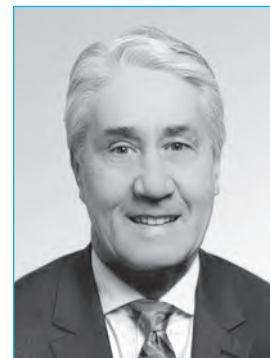
It is with great pleasure that I am able to provide the following highlights achieved by East Waste throughout the 2017/18 financial year. East Waste's General Manager Rob Gregory will detail further achievements and successes in his 2017/18 report.

City of Prospect

As of 1 October 2017, East Waste welcomed the City of Prospect as a Member Council. City of Prospect's addition has seen East Waste's membership grow to seven (7) Member Councils and East Waste providing a full suite of services to City of Prospect. City of Prospect is a highly engaged Council who has added great value to the already strong membership of East Waste.

Led by Ms Cate Hart, CEO, as its inaugural East Waste Board Member, Ms Hart has been an active and valued contributor not only to the Board, but the overall East Waste business.

I would like to take this opportunity to thank Ms Hart, the staff and Elected Members of City of Prospect for their professionalism and willingness to work with East Waste to ensure their transition to East Waste as a Member Council was a successful one. I, together with



Mr Brian Cunningham
Independent Chairperson

the Board and East Waste look forward to continuing our successful partnership long into the future and maximising the benefits a subsidiary model offers.

Financial Performance

The 2017/18 financial year has presented a number of financial challenges to East Waste, particularly with respect to the China Sword decision and significant increases in global fuel prices.

Throughout 2017/18, East Waste not only returned an operating surplus of \$408,000 to Member Councils but managed to do so with a 'nil fee increase' being applied. City of Prospect's membership commencing 1 October 2017, resulted in budget variations being applied at BR2 and BR3, to ensure East Waste continued to meet its commitment of providing a safe, high quality, low cost, waste and resource recovery service.

A 30% increase in global fuel prices throughout the year has seen an increase, and therefore impact on East Waste's expenditure. This impact, together with a return of an operating surplus

EAST WASTE CHAIRPERSON'S REPORT



to Member Councils has resulted in East Waste realising an overall net deficit of \$332,000 for the 2017/18 financial year.

If considered with the operating surplus of \$338,000 realised in the 2016/17 financial year, East Waste has operated to a 'break even' result over the past two years.

Noting the volatility of the fuel market and the increase in service offerings provided by East Waste for 2017/18, this is an encouraging outcome in the current economic conditions.

China Sword

Thanks to media coverage over the past 12 months, public interest in the waste and resource recovery sector has never been higher. The interest has generally been positive, with the public genuinely interested and invested in the ongoing reuse and recycling of products.

Interest has stemmed from China's decision in July 2017 to severely restrict recyclable products

from across the world being traded through their borders. This ban was fully effective from March 2018 and has seen the recycling commodity market impacted significantly.

For the past many years the world has sold their co-mingled recycling to China, which China then used to make new products, particularly cardboard for packaging.

China has now made the decision to be self-sufficient and develop their own circular economy, which while a positive step for their country, has resulted in the remainder of the world trying to sell their recyclables to a smaller global market. This competition has seen a significant decrease in commodity prices.

Whilst there are challenges presently, it is important to note that recycling is still very much a viable option and a practice that will continue long into the future.

It is important that collectively we continue to

EAST WASTE CHAIRPERSON'S REPORT



reinforce that message to our communities and retain their confidence that recycling is critical and that the communities we serve will benefit most from continuing to recycle.

Whilst there are some short-term pricing impacts on local governments across Australia, this decision has resulted in positive and robust discussions as to how Australia can reuse and re-purpose both commercial and residential recyclables. It is pleasing to see government, industry and public engaged as to how we move forward from this point and there is great confidence that the future domestic recycling industry will be a strong one.

East Waste collected approximately 23,000 tonnes of recyclables across the 2017/18 financial year. This quantum of tonnes collected brings with it a level of responsibility as to the final destination of the material. East Waste has led the way in engaging with its Member Councils,

the State Government, the recycling industry and relevant stakeholders.

East Waste has been seen as strong voice at this time, and its ongoing leadership has provided a level of comfort and reassurance to Member Councils that continuing to dispose of recyclables is critical to the ongoing sustainability of our environment.

East Waste continues to be actively engaged in the shaping of the longer term vision of the South Australian recycling industry.

Education Focus

Interested stakeholders of East Waste would be aware of our commitment and investment in the "Why waste it?" education campaign, which is aimed at educating and promoting responsible behaviour around reducing waste and improving recycling, with the ultimate aim of reducing waste being sent to landfill.



105

BUS SHELTER POSTERS
OVER 5 CAMPAIGNS PROMOTING
RECYCLING & COMPOSTING

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

EAST WASTE CHAIRPERSON'S REPORT

East Waste's education focus has gained considerable interest from all stakeholders, from residents through to the State Government, particularly since the China Sword decision. Of note has been the increased use of East Waste's whichbin.com.au website, which provides a detailed A-Z guide, assisting the community in knowing what items go in 'Which Bin' and how to divert many resources from landfill.

You will note littered throughout the Annual Report, education statistics and information which outlines the positive interest in East Waste's education campaign.

Thanks

I would now like to take this opportunity to say "thank you" to the East Waste Board, East Waste's General Manager Rob Gregory and East Waste staff.

To the East Waste Board, I thank you all for your valuable contributions to another successful year for East Waste. This year has presented some challenges, which have required a significant amount of your time and energy. Notwithstanding this increased commitment, all Directors of the East Waste Board continue to provide the utmost support and guidance not only to myself, but to the General Manager and his team.

To Rob Gregory; what a welcome it has been for you into the world of a General Manager within the waste and resource recovery industry. Rob has made an auspicious start in a most difficult time and our Board has been very pleased with the way he has risen to the occasion in a short space of time and under trying external pressures.

Rob's commencement of tenure coincided with the China Sword decision, which quickly saw him being presented with significant operational, political and governance challenges.

I am pleased to say that Rob has not only responded to the challenges, but has led the way in so many respects. Rob's leadership qualities, together with his stakeholder management capabilities, has ensured that he and his team have delivered and will continue to deliver to all Member Councils. I look forward to working with Rob again throughout the 2018/19 Financial Year.

To the East Waste staff, I, together with the East Waste Board again say thank you for a successful and productive year.

The inclusion of City of Prospect as a Member Council, together with another year of an increase in services being provided to Member Councils, continues to challenge you to respond. You have responded well and continue to commit to providing an efficient and effective service to all Member Councils.

I commend the 2017/18 East Waste Annual Report to you.

Brian Cunningham
Chairperson



2,000

ACTIVE USERS OF THE
WHICH BIN WEBSITE
PER MONTH

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

EAST WASTE GENERAL MANAGER'S REPORT

What a busy and exciting year it has been for East Waste.

Together we have:

- **Welcomed the City of Prospect as a new Member Council to East Waste**
- **Increased our service offerings to Member Councils**
- **Proactively responded to the China Sword decision**
- **Expanded our “Why waste it?” education campaign**
- **Consolidated the overall strength of our business**



Mr Rob Gregory
General Manager

City of Prospect

East Waste warmly welcomed City of Prospect as a Member Council, effective 1 October 2017. East Waste provides a full suite of services to City of Prospect, and the transition of these services to East Waste has been a positive one.

This transition and quick consolidation of services can be attributed to the dedicated staff of East Waste and City of Prospect, who worked closely together to ensure residents' waste collection needs continued 'business as usual'.

I would like to take this opportunity to thank CEO & East Waste Board Member Cate Hart and her hard-working team for their contribution to making their first year as a Member of East Waste a successful one. As with all our Councils, I look forward to working with the City of Prospect for a long time to come.

Increased Service Offerings

East Waste has for the past few years been committed to a continuous improvement pathway, which includes a sustainable focus on quality service delivery that is efficient, professional and consistent.

This focus has allowed East Waste to offer increased service delivery options to our Member Councils.

The 2017/18 Financial Year has been no different and East Waste has been pleased to consolidate the following new service offerings to Member Councils:

- 'At-call' Hard Waste Collection Service to City of Norwood, Payneham & St Peters residents
- Street & Park Litter Bin Collection Services to Campbelltown City Council
- Additional Bin Management Services to Adelaide Hills Council
- Full suite of services to City of Prospect

East Waste looks forward to continuing to provide these services to our Member Councils.


China Sword

Whilst East Waste is a waste and resource collection business, it has not been immune from the China Sword decision, details of which have been reported in the Chairperson's Report. East Waste has an environmental, social and corporate responsibility to ensure that collected kerbside recyclables (23,000 tonnes in 2017/18) are disposed of and repurposed in accordance with community expectations.

The China Sword decision has impacted world commodity prices for recyclable streams, however this does not mean that established practices of recycling need to cease, in fact,

EAST WASTE GENERAL MANAGER'S REPORT

Kerbside Tonnages Collected 2017 - 2018



Member Council	Recyclables	Organics	Waste
Adelaide Hills Council	3,421	3,738	7,530
City of Burnside	3,989	6,423	8,002
Campbelltown City Council	3,973	6,282	9,822
City of Mitcham ¹	5,978	8,953	12,363
City of Norwood, Payneham & St Peters	3,269	4,386	6,917
City of Prospect ²	1,261	2,035	2,997
Town of Walkerville	637	1,068	1,520



¹ City of Mitcham manages its own residential waste collection.

² City of Prospect joined East Waste as a Member Council, commencing 1 October 2017, therefore collection data shown is for nine (9) months only.

EAST WASTE GENERAL MANAGER'S REPORT



it is quite the opposite. Australian recycling contractors have been impacted with immediate cost pressures due to the decision, which has in turn meant that these increased costs have been passed through to Local Governments across all of Australia.

Whilst there are some short-term financial impacts for East Waste's Member Councils, it is important to note that the China Sword decision has created widespread discussion within industry and government, resulting in innovative local solutions being considered for the repurpose and reuse of recyclables. This creates many opportunities and exciting times.

East Waste has been at the forefront of these discussions, which include short and long term solutions. The take home message for all residents and members of the public is that your recycling habits should not change, and where possible, improved, as the wonderful benefits

of recycling significantly outweigh the option of sending products to landfill.

In response to the China Sword decision, East Waste has been very pro-active in engaging its Member Councils, and continuing the strong education message to all residents. The East Waste Board established a Recycling Review Technical Working Committee to assist East Waste in navigating the immediate challenges presented in the recycling market.

Significant time and investment has been made in this Committee to ensure East Waste's Member Councils are well informed and remain confident with the ongoing kerbside collection of recyclables.

I echo the sentiments of East Waste's Chairperson, who states "East Waste continues to be actively engaged in the shaping of the longer term vision of the recycling industry."



22,528

TONNES OF RECYCLING
DIVERTED FROM LANDFILL
DURING 2017-2018

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

EAST WASTE GENERAL MANAGER'S REPORT



Consolidation of the East Waste Business

East Waste continues to perform well in an ever-changing economic environment. I am pleased to report that despite increased financial pressures beyond our control, East Waste has been fiscally astute and responsible in providing its services to Member Councils.

A 'break even' result across the past two financial years (17/18 and 16/17) is a real testament to the now established and embedded internal controls, processes and capabilities of East Waste. East Waste strives to provide quality service delivery that is consistent, efficient and professional and is a statement we (East Waste) apply across all facets of our business.

Whilst there is always room for improvement, I am committed to ensuring we consistently apply this level of service delivery to our Member Councils.

Thanks

I would like to thank the East Waste team for their commitment and dedication to their work, in what has been a challenging and busy year. My first year as General Manager has been an enjoyable one, which in no small part has been the welcome and support received.

To my Chairperson, Mr Brian Cunningham and the East Waste Board, I thank you for your valued guidance, contribution and support in my first year as General Manager.

I look forward to working with Member Councils, the Board and staff to deliver the requirements of the 2018/19 adopted Annual Plan and Budget.

Rob Gregory
General Manager

EAST WASTE GOVERNANCE

East Waste is administered by a Board in accordance with the requirements of the Local Government Act 1999, the East Waste Charter, and various other legislative requirements. The membership of the Board comprises of eight 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 2017 – 2018 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 Piggott (City of Burnside)	6 of 7
Mr Paul Di Iulio (Campbelltown City Council)	7 of 7
Cr Karen Hockley (City of Mitcham)	6 of 7
Mr Mario Barone (City of Norwood, Payneham & St Peters)	6 of 7
Cr Gianni Busato (Corporation of the Town of Walkerville)	7 of 7
Ms Cate Hart (City of Prospect)	
Appointed September 2017, effective October 2017	5 of 6

DEPUTY DIRECTOR ATTENDANCE	
Mr Lachlan Miller (Adelaide Hills Council)	1 of 7
Mr Simon Bradley (City of Prospect)	
Appointed September 2017, effective October 2017	1 of 6

EAST WASTE GOVERNANCE

Audit and Risk Management Committee

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

The principal objective of the Audit Committee is to ensure that the East Waste Board meets its legislative and probity requirements as required

by the Local Government Act 1999 and other relevant legislation, standards and codes.

The Audit Committee held five formal meetings over the 2017 – 2018 financial year.

The following table details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
Mr Brian Cunningham (Chair)	5 of 5
Mr Mario Barone (City of Norwood, Payneham & St Peters)	5 of 5
Cr Grant Piggott (City of Burnside) Term completed December 2017	2 of 2
Cr Karen Hockley (City of Mitcham)	
Appointed to Audit Committee November 2017, effective January 2018	3 of 3
Mr Leigh Hall (Independent Member)	5 of 5
Mr Tim Muhlhausler (Independent Member)	4 of 5

The Audited Financial Statements for the year ending 30 June 2018 are provided at page 20.

Recycling Review Technical Working Committee

As per information provided in the Chairperson's Report and General Manager's Report, the China Sword issue has impacted Local Governments across all of Australia.

To assist in navigating the challenges and complexities that have arisen out of the China Sword decision, the East Waste Board established a Recycling Review Technical Working Committee (the Committee) in accordance with Clause 78 of the East Waste Charter.

Membership of the Committee is as follows:

RECYCLING REVIEW TECHNICAL WORKING COMMITTEE

Cr Karen Hockley (Chair)

Cr Grant Piggott (City of Burnside)

Mr Paul Di Iulio (Campbelltown City Council)

Mr Jeff Tate (Independent Member)

Mr Rob Gregory (East Waste)

Mr Shane Raymond (East Waste)

Since its establishment in April 2018, the Committee held three formal meetings in the 2017 - 2018 financial year.

FINANCIAL STATEMENTS

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CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2018

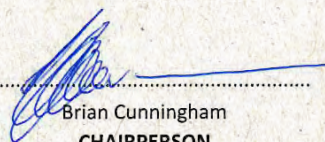
CERTIFICATION OF FINANCIAL STATEMENTS

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 2018 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: 20/09/18

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

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
INCOME			
User charges	2	12,689	13,068
Investment income	2	19	30
Grants, subsidies and contributions		15	40
Other	2	413	408
Total Income		13,136	13,546
EXPENSES			
Employee costs	3	5,605	5,164
Materials, contracts & other expenses	3	5,776	6,007
Finance costs		321	332
Depreciation, amortisation & impairment	3	1,767	1,724
Total Expenses		13,469	13,227
OPERATING SURPLUS / (DEFICIT)		(333)	319
transfer to Equity Statement			
Asset disposal & fair value adjustments	4	10	20
Amounts received specifically for new/upgraded assets		-	-
NET SURPLUS / (DEFICIT)		(323)	339
Other Comprehensive Income			
Changes in revaluation surplus - infrastructure, property, plant & equipment		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(323)	339

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

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
INCOME			
Current Assets			
Cash and cash equivalents	5	1,376	1,984
Trade & other receivables	5	1,127	412
Total Current Assets		2,503	2,396
Non-current Assets			
Infrastructure, Property, Plant & Equipment	6	6,165	6,046
Total Assets		8,668	8,442
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	821	826
Provisions	7	530	491
Borrowings	7	2,007	1,701
Total Current Liabilities		3,358	3,018
Non-current Liabilities			
Borrowings	7	4,774	4,741
Provisions	7	63	72
Total Non-current Liabilities		4,837	4,813
Total Liabilities		8,195	7,831
NET ASSETS		473	611
EQUITY			
Accumulated Surplus		473	611
TOTAL EQUITY		473	611

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

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Accumulated Surplus \$'000	TOTAL EQUITY \$'000
2018		
Balance at end of previous reporting period	611	611
Net Surplus/ (Deficit) for Year	(323)	(323)
Other Comprehensive Income		
Contributed Equity	185	185
Distributions to Member Councils	-	-
Balance at end of period	473	473

	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	-	-
Balance at end of period	611	611

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

STATEMENT OF CASH FLOWS AS AT 30 JUNE 2018

	Notes	2018 \$'000	2017 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
<i>Receipts</i>			
Operating receipts		12,400	13,465
Investment receipts		20	28
<i>Payments</i>			
Employee costs		(5,548)	(5,279)
Materials, contracts & other expenses		(5,808)	(7,063)
Finance payments		(320)	(320)
Net Cash provided by (or used in) Operating Activities	8	744	831
CASH FLOWS FROM INVESTING ACTIVITIES			
<i>Receipts</i>			
Sale of replaced assets	4	11	104
Sale of surplus assets	4	-	-
<i>Payments</i>			
Expenditure on renewal/replacement of assets	6	(1,887)	(2,522)
Expenditure on new/upgraded assets		-	-
Distributions to member councils		-	-
Net Cash provided by (or used in) Investing Activities		(1,876)	(2,418)
CASH FLOWS FROM FINANCING ACTIVITIES			
<i>Receipts</i>			
Capital contribution by member councils		185	122
Proceeds from Borrowings		1,971	1,926
<i>Payments</i>			
Repayments of Borrowings		(1,632)	(1,275)
Net Cash provided by (or used in) Financing Activities		524	773
Net Increase (Decrease) in cash held		(608)	(814)
Cash & cash equivalents at beginning of period	8	1,984	2,798
Cash & cash equivalents at end of period	8	1,376	1,984

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 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

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

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

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

1.2 Historical Cost Convention

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

1.3 Critical Accounting Estimates

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

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

1.4 Rounding

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



32,885

TONNES OF ORGANIC WASTE
DIVERTED FROM LANDFILL
DURING 2017 - 2018

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest.

All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

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

5 Property, Plant & Equipment

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 - 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 2018

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 on costs) 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 on costs) 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 2017/18; 9.5% in 2016/17). 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 Salary link liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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

8 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



OVER

220,000

KERBSIDE BINS COLLECTED
EVERY WEEK FOR OUR
SEVEN MEMBER COUNCILS

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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 2018 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.

14 Recyclable Processing Activities

The Authority has not been, nor will it be in the future, financially impacted by the changes in overseas market conditions as a result of the China Sword Policy and changes in overseas recycled materials commodities market conditions. Under current arrangements held with Member Councils, the Authority passes on all income derived and recovers all costs incurred in managing waste management contracts on behalf of Member Councils.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 2 - INCOME

	Notes	2018 \$'000	2017 \$'000
USER CHARGES			
Household Refuse		4,547	4,173
Administration		239	215
Green Organics		3,700	3,531
Recyclables		3,213	3,178
Hardwaste		773	651
Litter		358	305
Waste Disposal		116	1,015
Recycle Rebate		306	815
Recycle Rebate - Member Councils		(306)	(815)
Recycle Processing Income		151	-
Member Council Waste Collection Rebate		(408)	-
		12,689	13,068
INVESTMENT INCOME			
Interest on investments		19	30
Local Government Finance Authority		19	30
OTHER INCOME			
Bin Supply		106	164
Replacement Bins		271	137
Sundry		36	107
		413	408

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 3 - EXPENSES

	Notes	2018 \$'000	2017 \$'000
EMPLOYEE COSTS			
Salaries and Wages		4,120	3,922
Employee leave expense		38	(114)
Superannuation		330	308
Wages Casual Agency		787	718
Workers' Compensation Insurance		166	200
Other		164	130
Total Operating Employee Costs		5,605	5,164
<i>Total Number of Employees (Full Time Equivalent as at reporting date)</i>		<i>50</i>	<i>51</i>
MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration		9	9
Board Expenses		28	25
Lease costs		316	240
Subtotal - Prescribed Expenses		353	274
Other Materials, Contracts & Expenses			
Advertising & Promotion		10	68
Disposal Fees		1,506	2,247
Electricity		41	34
Fuel, Gas & Oil		971	764
GPS Expenses		63	64
Insurance		101	21
Legal Expenses		70	27
Maintenance		1,736	1,516
Parts, Accessories & Consumables		84	63
Printing, Stationery & Postage		65	44
Professional Services		276	319
Recycle Processing Costs		151	-
Registration & Insurance - Trucks		126	272
Sundry		176	258
Telephone		47	36
Subtotal - Other Materials, Contracts & Expenses		5,423	5,733
		5,776	6,007
DEPRECIATION			
Buildings & Other Structures		-	7
Plant, Machinery & Equipment		1,767	1,717
		1,767	1,724

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 4 - ASSET DISPOSAL

	Notes	2018 \$'000	2017 \$'000
INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT			
<i>Assets renewed or directly replaced</i>			
Proceeds from disposal		11	104
Less: Carrying amount of assets sold		1	84
Gain (Loss) on disposal		10	20

NOTE 5 - CURRENT ASSETS

	Notes	2018 \$'000	2017 \$'000
CASH & EQUIVALENT ASSETS			
Cash on Hand and at Bank		1,250	1,477
Deposits at Call		126	507
		1,376	1,984
TRADE & OTHER RECEIVABLES			
Debtors - general		1,098	396
Accrued Income		-	2
Prepayments		29	14
		1,127	412

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2018 \$'000	2017 \$'000
Buildings & Other Structures - At Cost		78	78
Accumulated Depreciation		(48)	(40)
		30	38
Plant, Machinery & Equipment		14,448	12,571
Accumulated Depreciation		(8,314)	(6,563)
		6,134	6,008
Work in Progress (WIP)		1	-
Total Property, Plant & Equipment		6,165	6,046

	2017 \$'000	CARRYING AMOUNT MOVEMENT DURING YEAR \$'000				2018 \$'000
	<i>Carrying Amount</i>	<i>Additions</i>		<i>Disposals</i>	<i>Depreciation</i>	<i>Carrying Amount</i>
		<i>New/ Upgrade</i>	<i>Renewal</i>			
Buildings & Other Structures	38	-	-	-	(8)	30
Plant, Machinery & Equipment	6,008	1,886	-	(1)	(1,759)	6,134
Work in Progress	-	1	-	-	-	1
Total Property, Plant & Equipment	6,046	1,887	-	(1)	(1,767)	6,165
<i>2017 Totals</i>	<i>5,332</i>	<i>-</i>	<i>2,522</i>	<i>(84)</i>	<i>(1,724)</i>	<i>6,046</i>

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 7 - LIABILITIES

Notes	2018 \$'000		2017 \$'000	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	697	-	703	-
Accrued expenses - other	124	-	123	-
	821	-	826	-
BORROWINGS				
Loans	2,007	4,774	1,701	4,741
	2,007	4,774	1,701	4,741
PROVISIONS				
Annual Leave	223	-	183	-
Long Service Leave	307	63	308	72
	530	63	491	72

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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	2018 \$'000	2017 \$'000
Total cash & equivalent assets	5	1,376	1,984
Less: Short-term borrowings		-	-
Balances per Cash Flow Statement		1,376	1,984

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

Net Surplus (Deficit)	(323)	339
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,767	1,724
Net increase (decrease) in unpaid employee benefits	38	(65)
Net increase (decrease) accrued interest charges	2	10
(Gain) / Loss on Disposal	(10)	(20)
	1,474	1,988
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(716)	(51)
Net increase (decrease) in trade & other payables	(6)	(1,056)
Net increase (decrease) in other provisions	(8)	(50)
Net Cash provided by (or used in) operations	744	831

(c) Non-Cash Financing and Investing Activities

Acquisition of assets by means of:

- Physical resources received free of charge	-	-
- Non-cash grants & contributions	-	-
<i>Amounts recognised in Income Statement</i>	-	-
- 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 2018

NOTE 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits

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 1.5% (2017: 1.25%).

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.

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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 9 - FINANCIAL INSTRUMENTS (CONT)

Liquidity Analysis

2018	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest > 1 year ≤ 5 years	Fixed Interest > 5 years	Non- Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>						
Fair Value through P&L						
Cash Assets	1,250	126	-	-	-	1,376
<i>Loans & Receivables</i>						
Receivables	-	-	-	-	1,098	1,127
Total	1,250	126	-	-	1,098	2,503
<i>Financial Liabilities</i>						
Payables	-	-	-	-	697	821
Current Borrowings	-	2,007	-	-	-	2,007
Non-Current Borrowings	-	-	3,153	1,621	-	4,774
Total	-	2,007	3,153	1,621	697	7,602
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,250	(1,881)	(3,153)	(1,621)	401	(5,099)

2017	Floating Interest Rate	Fixed Interest ≤ 1 year	Fixed Interest > 1 year ≤ 5 years	Fixed Interest > 5 years	Non- Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>						
Fair Value through P&L						
Cash Assets	1,477	507	-	-	-	1,984
<i>Loans & Receivables</i>						
Receivables	-	-	-	-	396	396
Total	1,477	507	-	-	396	2,380
<i>Financial Liabilities</i>						
Payables	-	-	-	-	703	703
Current Borrowings	-	1,701	-	-	-	1,701
Non-Current Borrowings	-	-	3,350	1,391	-	4,741
Total	-	1,701	3,350	1,391	703	7,145
EXCESS OF FINANCIAL ASSETS OVER LIABILITIES	1,477	(1,194)	(3,350)	(1,391)	(307)	(4,765)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

NOTE 10 - COMMITMENTS FOR EXPENDITURE

	Notes	2018 \$'000	2017 \$'000
Expenditure Commitments			
Other expenditure committed for at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		9	9
Truck Fleet Replacement		1,810	1,814
		1,819	1,823
These expenditures are payable:			
Not later than one year		1,819	1,823
Later than one year and not later than 5 years		-	-
Later than 5 years		-	-
		1,819	1,823

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	252
Later than one year and not later than 5 years	834	807
Later than 5 years	603	889
	1,689	1,948

NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events after Balance Date that require to be disclosed.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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:

	2018 \$'000	2017 \$'000
Salaries, allowances & other short term benefits	405	370
Long term benefits	-	30
TOTAL	405	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	2,912	57	Provision of kerbside waste collection and hardwaste
City of Burnside	2,231	47	Provision of kerbside waste collection and hardwaste
City of Mitcham	2,089	81	Provision of kerbside waste collection and hardwaste
City of Norwood, Payneham & St Peters	2,078	556	Provision of kerbside waste collection and hardwaste
City of Prospect	873	284	Provision of kerbside waste collection and hardwaste
Corporation of the City of Campbelltown	2,505	62	Provision of kerbside waste collection and hardwaste
Corporation of the Town of Walkerville	469	8	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

EASTERN WASTE MANAGEMENT AUTHORITY INC

**ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 June 2018**

CERTIFICATION OF AUDITOR INDEPENDENCE

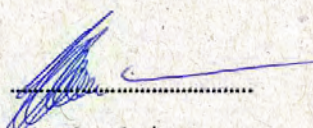
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Eastern Waste Management Authority Inc. for the year ended 30 June 2018, the Authority's Auditor Bentleys, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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



Rob Gregory

EXECUTIVE OFFICER



Brian Cunningham

PRESIDING MEMBER

AUDIT COMMITTEE

Date: 20/09/18



Bentleys SA Audit Partnership

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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 2018, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

Bentleys SA Audit Partnership

David Papa
Partner

Dated at Adelaide this 20th September 2018



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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 2018, 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 2018, 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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Auditor's Responsibilities for the Audit of the Financial Report

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

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

BENTLEYS SA AUDIT PARTNERSHIP

A handwritten signature in black ink, appearing to read 'David Papa', written over a light-colored, textured background.

DAVID PAPA
PARTNER

Dated at Adelaide this 21st day of September 2018



OVER

19,300

PEOPLE REACHED PER MONTH
VIA EAST WASTE SOCIAL MEDIA
PLATFORMS

EastWaste

EASTERN WASTE MANAGEMENT AUTHORITY ANNUAL REPORT 2017-2018



At East Waste we are all about ...

“Providing a safe, high quality, low cost, waste and resource recovery collection service that responds to our community’s needs, while using innovation and technology to drive efficiencies, reduce cost, and have a minimal impact on the receiving environment”.

At East Waste we are moving towards ...

“Providing flexible and responsive waste and resource recovery collection services that focus on safety, high order recycling, elevated service levels, less vehicle movements, and lower emissions”.

At East Waste we contribute to our Member Council communities by ...

“Providing a responsive and proactive waste and resource recovery collection service that enhances streetscape amenity and assists in promoting a healthy lifestyle”.



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