

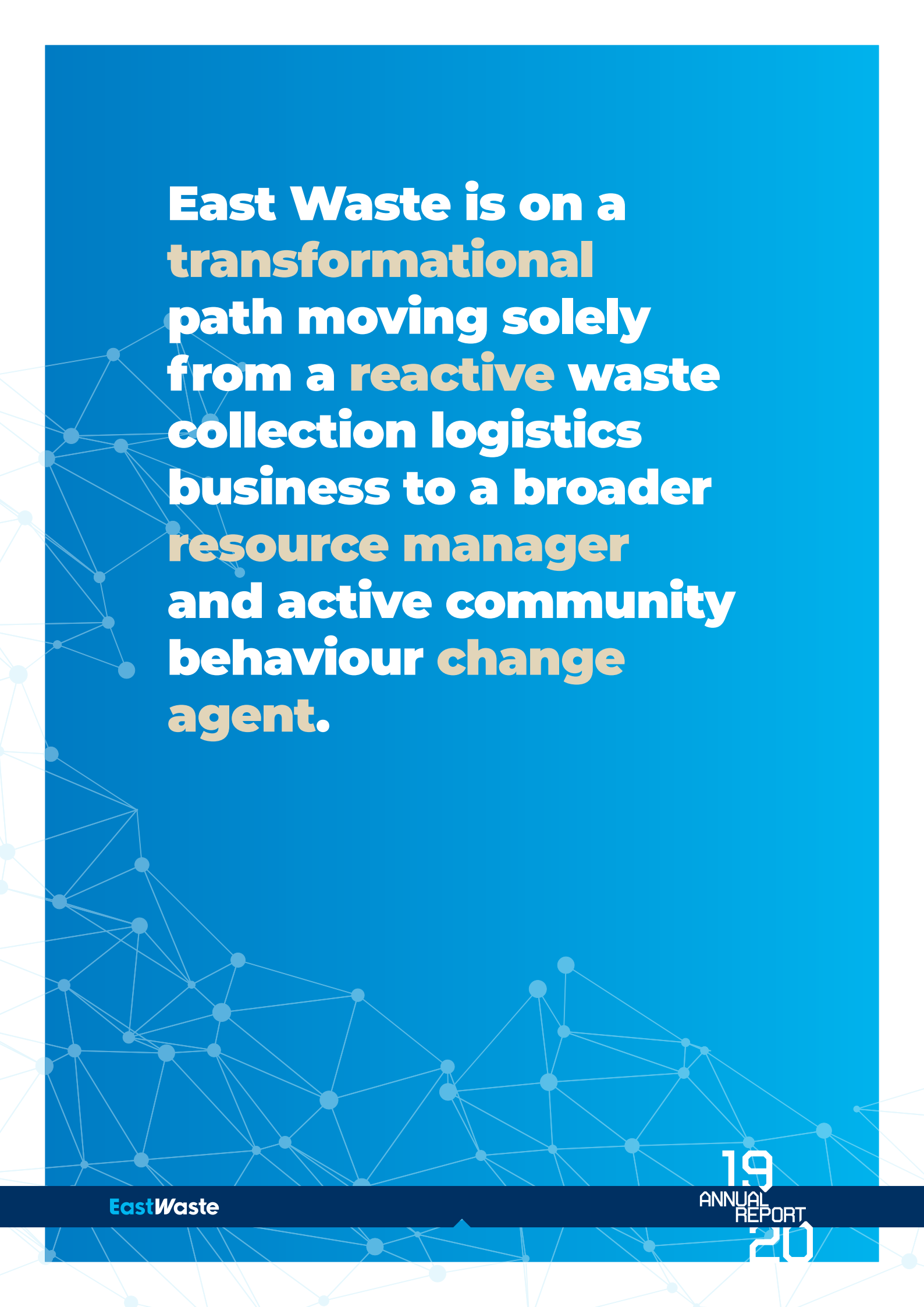
**EastWaste**

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ANNUAL  
REPORT

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**East Waste is on a  
transformational  
path moving solely  
from a reactive waste  
collection logistics  
business to a broader  
resource manager  
and active community  
behaviour change  
agent.**

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# CHAIRPERSON'S REPORT

**I am pleased to be able to contribute to, and commend, my first Annual Report for East Waste. I was fortunate enough to be appointed Independent Chairperson of East Waste, commencing February 2020. My appointment coincided with the onset of COVID-19 and so my first few months as Chairperson have not been as I initially envisaged - they were more dynamic!**

I will talk further to this later in my report, but before I refer to some highlights of the 2019/2020 Financial Year, I would like to acknowledge and express my thanks to some people. Firstly, I would like to thank East Waste's out-going Independent Chairperson, Mr Brian Cunningham. Brian served as Chairperson for six (6) consecutive years and in that time oversaw and directed some significant outcomes at East Waste. Brian's leadership throughout his tenure has seen East Waste in the strong position it is today, as both a business and industry leader.

On behalf of the East Waste Board, East Waste staff and Member Councils, I thank Brian for his contribution, and wish him well for the future. I would also like to thank Mr Paul Di Iulio, Deputy Chair of the East Waste Board for acting as the Independent Chairperson for a number of months prior to my appointment, whereby he oversaw a number of significant decisions and outcomes. Paul is a very strong leader, whose on-going committed contribution to the East Waste Board has been evident over the years and has continued in my time as Chairperson.

East Waste has also seen some movement within the membership of its Audit and Risk Management Committee. After a successful six (6) years on the Committee, Mr Leigh Hall, Independent Member has completed his tenure. I would like to thank Mr Hall for his contribution to East Waste throughout his tenure. Replacing Mr Hall, is Ms Sandra Di Blasio, who commenced as Independent Member on the Committee in February 2020. Sandra is an experienced

executive, who sits on a number of Boards and Committees as a Non-executive Director, and East Waste is fortunate to have Sandra's contribution to the Committee.

## Strategic Direction

East Waste has earned a reputation as a leader in waste management and with an engaged Board and Member Councils and it has a clear direction to continue this momentum. A clear mandate for East Waste is to drive value back to the communities we serve, and we can do this in many ways.

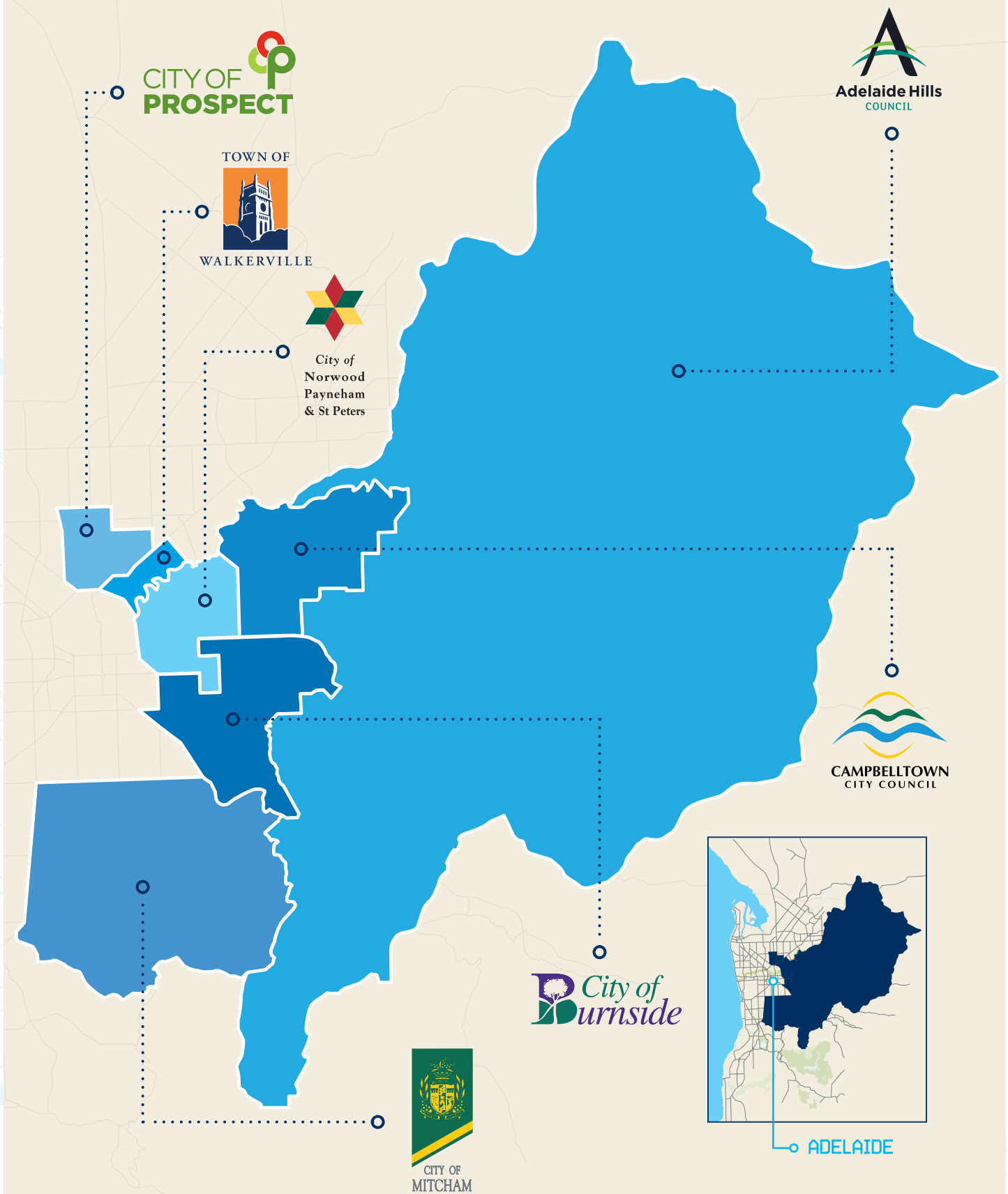
The waste industry finds itself in a dynamic space at the moment, with many unknowns continuing to present themselves. This presents a great opportunity for East Waste to outline and deliver a robust strategic direction, which identifies clear objectives with opportunities to enhance advocacy and foster growing partnerships with like-minded organisations to establish efficiencies and create sustainable behavioural change practices that ensure waste minimisation targets are met.

East Waste's soon to be released Strategic Direction 2030 will outline the objectives and targets to attain our Strategic goals.

## Partnerships

In support of these thoughts regarding East Waste's Strategic intent, I am excited to be able to report on a significant partnership agreement that East Waste has entered into during the 2019/2020 Financial Year. East Waste has partnered with the Fight Food Waste Cooperative

# CURRENT SERVICE AREA



# CHAIRPERSON'S REPORT

Research Centre, Adelaide University and Green Industries South Australia with the intention of identifying behavioural change initiatives that eliminate food waste being disposed of to landfill.

East Waste's target is 100 percent (by weight) of total food waste collected from residential premises, to be collected separately and recycled by 2030. The partnerships aim to nurture behavioural change trials, that are supported by robust data, comprehensive bin audits and technology that is able to report on household disposal habits and behaviours.

for the 2019/2020 Financial Year. In a year that has been heavily impacted by COVID-19, this is a pleasing result to be able to report. As readers and stakeholders can appreciate, the waste industry saw a significant increase in the volumes of household waste, recyclables and green organics being collected in the months of March, April and May 2020, which ultimately saw East Waste's drivers working significant hours to meet this increase.

Not only did the drivers perform particularly well during this time, it is a credit to East Waste's



The elimination of food waste being disposed of to the general waste will not only have major positive impacts on the environment i.e. reduction in greenhouse gas emissions, it will also considerably reduce kerbside collection costs for all households.

I look forward to being able to report on the progress of this project in the near future.

## Financial Performance

I am pleased to be able to report that East Waste has delivered an operating surplus of \$193,000

Board, Audit and Risk Management Committee and Executive Staff for delivery of a healthy operating surplus.

## Thank you

I would like to thank the East Waste Board and Audit and Risk Management Committee for their strong leadership and decision-making during my early tenure and the year of COVID-19.

To East Waste Member Councils, thank you for your engagement, support and leadership in working with East Waste to deliver its Annual



# CHAIRPERSON'S REPORT



Plan, our new initiatives and service delivery model throughout a challenging year. I have observed the strong relationships each Member Council has with East Waste and look forward to working with you.

To East Waste's General Manager, Mr Rob Gregory, thank you for your leadership of East Waste throughout a challenging and tumultuous time.

Your care and empathy towards your staff has been evident and has been the ongoing key to your success in operating the business throughout the 2019/2020 Financial Year.

You lead a great team that I had the pleasure

of working directly with during some very challenging times in Q1 of this year.

I commend the 2019/2020 East Waste Annual Report to you.



**Fraser Bell**  
East Waste Chair



**110,000** TOTAL TONNAGES COLLECTED



**8,000,000** ANNUAL BIN COLLECTIONS



**3,200** HARD WASTE TONNES CONVERTED TO FUEL



**56%** OF MATERIAL DIVERTED FROM LANDFILL



**45** COLLECTION VEHICLES



**7,500** BIN REPAIRS UNDERTAKEN BY THE MOBILE TEAM

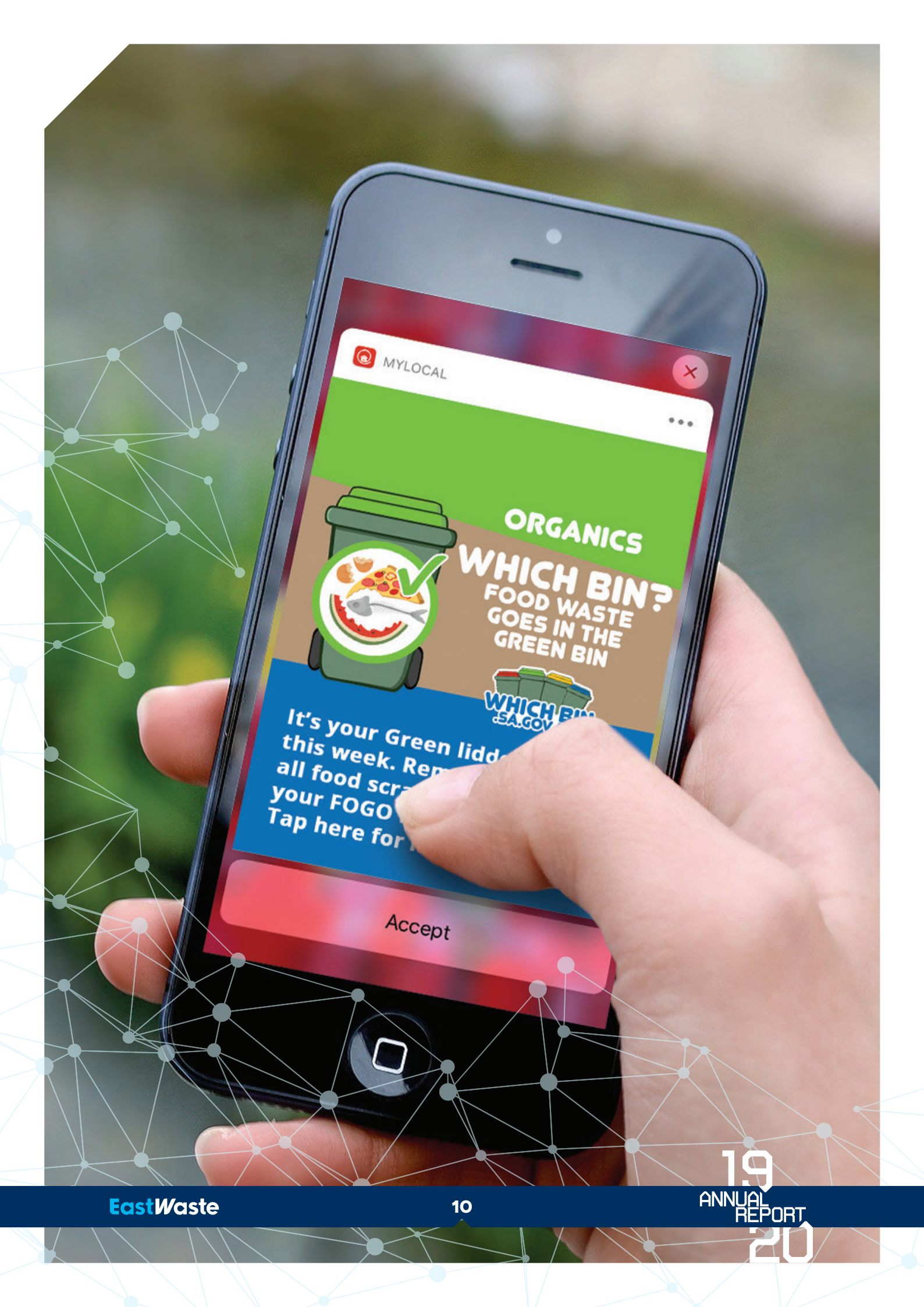


**3,000** BIN DELIVERIES UNDERTAKEN PER YEAR



**2,000+** ENQUIRIES RECEIVED & RESOLVED EACH WEEK







# GENERAL MANAGER'S REPORT

**Like everyone else in the world, East Waste has not been immune to impacts of COVID-19. As an essential service, it was critical that East Waste responded quickly to the ever-changing environment. I am extremely pleased to report that East Waste responded very early and decisively to COVID-19 impacts.**

With a focus on staff well-being, hygiene practices, contingency planning and continuation of service delivery, I am proud to be able to say that East Waste did, and continues to do so, deliver 100% of services to our Member Councils and their residents.

The months of March, April and May saw increases in residential disposal of waste, recyclables and green organics, as most residents were working from home. In the month of April, East Waste saw an increase of 35% in green organics tonnes collected and a 15% increase in recyclables tonnes collected, compared to the same time last year. In addition, East Waste saw an increase in Hard Waste collections, as again, most residents were working from home and took the opportunity to undertake early spring cleaning.

East Waste rose to the challenge, at the same time adhering to and responding to the daily or weekly restriction and social-distancing requirements being imposed. This was only possible with the commitment and flexibility of our fantastic staff.

All East Waste staff have worked together, shown compassion, empathy for each other and simply got the job done. I would therefore like to express my sincere thanks to the entire East Waste team and their families who continue to support them.

I provide the following highlights to you:

## **Kerbside Bin Audit**

In October/November 2019, East Waste undertook the largest, most in-depth kerbside bin audit ever undertaken in South Australia.

Over 2,100 kerbside bins were randomly selected across East Waste's seven (7) Member Council areas, with 29 tonnes of material audited across all kerbside streams (general waste, recyclables and green organics).

The audit took a deep dive analysis of food waste disposal, types of food being disposed of, and to which bin.

The audit identified that more than 27% of the general waste bin was food which ends up in landfill and causes greenhouse gas emissions and is expensive for Councils and residents. Therefore, the glaring opportunity identified is to get this food recycled into the green organics bin, where it can be turned into valuable compost. By doing this, East Waste Member Councils and their residents could save up to \$3M per annum.

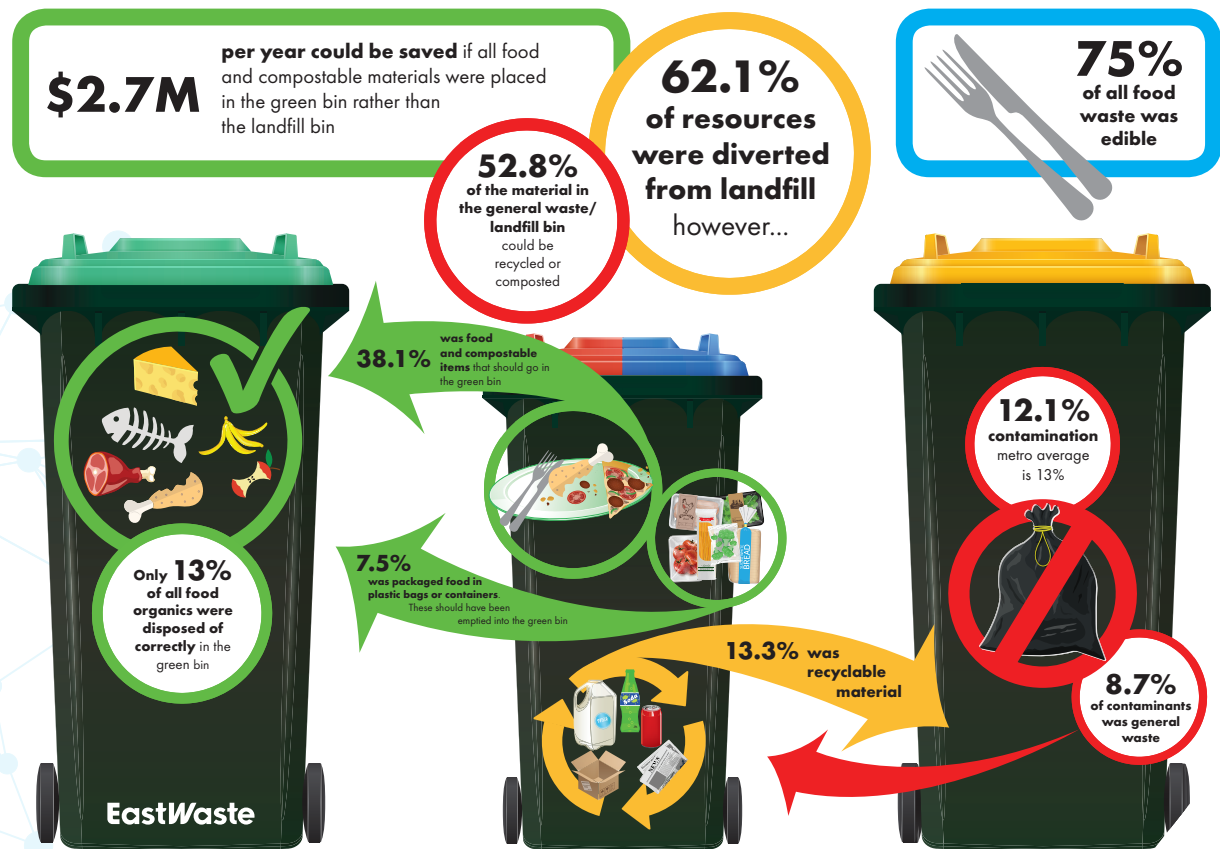
The audit also confirmed that contamination within the yellow bin continues to be at a high level. Soft plastics, textiles and general waste remain the key contaminants that we will continue to target through our education program.

These opportunities are and will be pursued in East Waste's Strategic direction and identified projects.

## **Increase in diversion from landfill rate**

East Waste collected more tonnes this financial year than it did last financial year, and that increase can be attributed to COVID-19 whereby residents were working from home, thus generating more waste than usual and due to a large increase in green organics tonnes collected, primarily due to weather conditions and again,

## GENERAL MANAGER'S REPORT



residents working from home and undertaking more gardening than usual.

Whilst the tonnes collected this financial year have increased, I am pleased to report that the overall diversion from landfill rate across East Waste's service area, has increased this financial year to 56%, compared with 54% last year. This is a great result as it means that less tonnes are going to landfill and more tonnes are being recycled.

This result can be attributed to East Waste's successful and on-going waste minimisation education focus and message delivery through media.

#### 100% recycled

The recycling commodity market continues to be a challenging one, with the impacts of the China bans still being felt. A tighter commodity market has resulted in reduced demand and prices being received for recyclables. Unfortunately,

in some Australian states, some collected recyclables have ended up in landfill due to there not being a market for the amount collected.

I am pleased to report however that this has not been the case in South Australia, whereby all kerbside recyclables collected by East Waste have been recycled through our Recycling Disposal contractor, Northern Adelaide Waste Management Authority (NAWMA), who have and continue to do a great job processing all the recyclables that they receive.

#### Electric Vehicle

Earlier in the 2019/2020 financial year, East Waste purchased South Australia's first fully electric collection vehicle. To ensure a full commitment to on-going sustainability and green initiatives, East Waste installed a rooftop solar system at its depot, which ensures the charging of the electric vehicle is 100% undertaken through solar energy.

# GENERAL MANAGER'S REPORT



The electric vehicle is being used to service East Waste Member Council, City of Prospect, predominantly due to its location and layout. Whilst there have been some challenges at times in the operation of the vehicle, when in operation and undertaking a full collection run, it is a pleasure to run and operate.

## Advocacy

For varying reasons through the financial year, East Waste has seen itself garnering media interest, particularly around audit outcomes, electric vehicle operations, education initiatives and recycling contamination messaging.

As a kerbside collection operator that undertakes collections for approximately 20% of the Adelaide market, East Waste is seen as a thought leader within the industry. East Waste has this year set

about to reach a wider audience and advocate for its Member Councils, its stakeholders and the industry with respect to positive resource recovery opportunities, and particularly promoting initiatives that will lead to less waste going to landfill.

In my capacity as General Manager, I have seen a real increase in interest from the media, the waste industry and all levels of government as to what East Waste has to offer, and I would like to express my thanks to the East Waste Board and Member Councils for their support in increasing our footprint within the advocacy space.

## Thanks

The 2019/2020 financial year has been a particularly challenging one, with bushfires impacting East Waste's service area in the



# GENERAL MANAGER'S REPORT



Adelaide Hills and the impacts of COVID-19, however, I am very proud to be able to say that East Waste staff have responded exceptionally well to the challenges presented and have continued to perform their roles at a high level, with no disruption to our services levels.

This is a real credit to all East Waste and their supportive families. Thank you all.

Finally, I would like to thank our previous Chairman Mr Brian Cunningham for his guidance and support over my initial years at East Waste and I am fortunate that this great support has continued with our current Chair Mr Fraser Bell. Also to the East Waste Board, Audit and Risk Management Committee and all Member

Councils for their support, hard work, guidance and leadership over this past year.

East Waste enjoyed another successful year, in what has been one of the most challenging years I have experienced, so it is credit to everyone.



**Rob Gregory**  
General Manager

# KERBSIDE TONNAGES COLLECTED



Member Council	Recyclables	Organics	Waste
Adelaide Hills Council	3,574	4,265	7,549
City of Burnside	4,043	6,975	7,499
Campbelltown City Council	4,174	7,023	9,921
City of Mitcham	5,901	10,266	11,692 <sup>1</sup>
City of Norwood, Payneham & St Peters	3,468	5,006	7,076
City of Prospect	1,787	2,943	4,016
Town of Walkerville	704	1,164	1,358

<sup>1</sup> City of Mitcham undertakes 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, the East Waste Charter, and various other policies and codes.**

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 eight formal meetings over the 2019 – 2020 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
<b>Mr Brian Cunningham</b> (Chair) *Term Expired 30/09/2019	0/1
<b>Mr Fraser Bell</b> (Chair) *Appointed 10/02/2020	5/5
<b>Cr Linda Green</b> (Adelaide Hills Council)	6/8
<b>Mr Simon Bradley</b> (City of Prospect)	6/8
<b>Cr Grant Piggott</b> (City of Burnside) *Term expired 30/12/2019	3/3
<b>Cr Julian Carbone</b> (City of Burnside) *Appointed 01/01/2020	5/5
<b>Mr Paul Di Iulio</b> (Campbelltown City Council)	6/8
<b>Mayor Heather Holmes-Ross</b> (City of Mitcham)	7/8
<b>Mr Mario Barone</b> (City of Norwood, Payneham & St Peters)	8/8
<b>Cr Rob Ashby</b> (Corporation of the Town of Walkerville)	6/8

DEPUTY DIRECTOR ATTENDANCE	MEETINGS
<b>Mr John McArthur</b> (Adelaide Hills Council)	2/2
<b>Cr Paul Huebl</b> (City of Burnside)	0/0
<b>Cr Stephen Fisher</b> (City of Mitcham) *Resignation effective 20 January 2020	1/1
<b>Mr Andrian Wiguna</b> (Campbelltown City Council)	0/0
<b>Cr Norm Coleman</b> (Corporation of the Town of Walkerville)	0/0



## 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 2019 – 2020 financial year. The table below details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
<b>Mr Paul Di Iulio</b> (Acting Chair) *Term expired 30/09/2019	2/2
<b>Mr Fraser Bell</b> (Chair) *Appointed 10/02/2020	3/3
<b>Mr Mario Barone</b> (City of Norwood, Payneham & St Peters)	5/5
<b>Cr Linda Green</b> (Adelaide Hills Council) *Appointed 28/11/2019	2/3
<b>Mr Tim Muhlhausler</b> (Independent Member)	5/5
<b>Ms Sandra Di Blasio</b> (Independent Member) *Appointed 01/01/2020	3/3
<b>Cr Grant Piggott</b> (City of Burnside) *Term expired 30/12/2019	2/2

The Audited Financial Statements for the year ending 30 June 2020 are provided at page 20.

**EastWaste**

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# FINANCIAL STATEMENTS 2019-2020

## CERTIFICATION OF FINANCIAL STATEMENTS

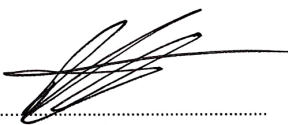
### EASTERN WASTE MANAGEMENT AUTHORITY INC

#### ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2020

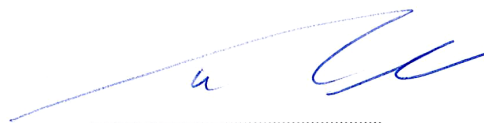
#### CERTIFICATION OF FINANCIAL STATEMENTS

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 2020 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  
General Manager



Fraser Bell  
Chairperson

Date:

## FINANCIAL STATEMENTS 2019-2020

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
<b>INCOME</b>			
User charges	2	16,756	15,440
Investment income	2	21	32
Grants, subsidies and contributions		-	38
Other	2	677	684
<b>Total Income</b>		<b>17,454</b>	<b>16,194</b>
<b>EXPENSES</b>			
Employee costs	3	5,851	5,580
Materials, contracts & other expenses	3	9,120	8,229
Finance costs	3	281	290
Depreciation & amortisation	3	2,069	1,959
<b>Total Expenses</b>		<b>17,321</b>	<b>16,058</b>
<b>OPERATING SURPLUS</b>		<b>133</b>	<b>136</b>
Asset disposal & fair value adjustments	4	60	32
<b>NET SURPLUS</b>		<b>193</b>	<b>168</b>
Other Comprehensive Income		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>193</b>	<b>168</b>

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

## FINANCIAL STATEMENTS 2019-2020

STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5	2,322	1,967
Trade & other receivables	5	1,019	717
<b>Total Current Assets</b>		<b>3,341</b>	<b>2,684</b>
<b>Non-current Assets</b>			
Property, Plant & Equipment	6	7,652	6,100
<b>Total Non-current Assets</b>		<b>7,652</b>	<b>6,100</b>
<b>Total Assets</b>		<b>10,993</b>	<b>8,784</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	7	1,205	771
Provisions	7	597	540
Borrowings	7	1,929	1,987
<b>Total Current Liabilities</b>		<b>3,731</b>	<b>3,298</b>
<b>Non-current Liabilities</b>			
Trade & Other Payables	8	-	-
Borrowings	7	6,221	4,702
Provisions	7	77	78
<b>Total Non-current Liabilities</b>		<b>6,298</b>	<b>4,780</b>
<b>Total Liabilities</b>		<b>10,029</b>	<b>8,078</b>
<b>Net Assets</b>		<b>964</b>	<b>706</b>
<b>EQUITY</b>			
Accumulated Surplus		964	706
<b>Total Equity</b>		<b>964</b>	<b>706</b>

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





## FINANCIAL STATEMENTS 2019-2020

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020

	Accumulated Surplus \$'000	Total Equity \$'000
<b>Balance at start of period - 1 July 2019</b>	<b>706</b>	<b>706</b>
Net Surplus for Year	193	193
<b>Other Comprehensive Income</b>		
Contributed Equity	65	65
Distributions to Member Councils	-	-
<b>Balance at end of period - 30 June 2020</b>	<b>964</b>	<b>964</b>
<b>Balance at start of period - 1 July 2018</b>	<b>473</b>	<b>473</b>
Net Surplus for Year	168	168
<b>Other Comprehensive Income</b>		
Contributed Equity	65	65
Distributions to Member Councils	-	-
<b>Balance at end of period - 30 June 2019</b>	<b>706</b>	<b>706</b>

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

## FINANCIAL STATEMENTS 2019-2020

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating receipts		17,136	16,572
Investment receipts		16	32
Employee costs		(5,795)	(5,555)
Materials, contracts & other expenses		(8,677)	(8,260)
Finance payments		(291)	(309)
<b>Net cash provided by operating activities</b>	8	<b>2,389</b>	2,480
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of replaced assets	4	81	35
Expenditure on renewal/replacement of assets	6	(2,297)	(1,897)
<b>Net cash used in investing activities</b>		<b>(2,216)</b>	(1,862)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Capital contribution by member councils		65	65
Proceeds from Borrowings		2,171	1,814
Repayments of Borrowings		(1,834)	(1,906)
Repayment of lease liabilities		(220)	-
<b>Net cash provided by (used in) financing activities</b>		<b>182</b>	(27)
<b>Net Increase (Decrease) in cash held</b>		<b>355</b>	591
Cash & cash equivalents at beginning of period	5	1,967	1,376
<b>Cash &amp; cash equivalents at end of period</b>	5	<b>2,322</b>	1,967

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



# FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 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 and is incorporated under the SA Local Government Act 1999. Its principal place of business is at 1 Temple Court Ottoway.

#### 3 Income Recognition

The Authority recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficient specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

# FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into a transaction where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset that has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

#### 4 Cash, Cash Equivalents and other Financial Instruments

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

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

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

#### 5 Property, Plant & Equipment

##### 5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

##### 5.2 Materiality

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

##### 5.3 Depreciation of Non-Current Assets

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

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.

# FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Asset Class	Estimated Useful Lives	Capitalisation Threshold
Plant, Machinery & Equipment	3-10 Years	>\$1,000
Buildings & Other Structures	5-20 Years	>\$1,000
Right-of-use-assets	Over period of expected lease	n/a

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

#### 5.4 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost. In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

### 6 Payables

#### 6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

### 7 Employee Benefits

#### 7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

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 Statewide Super (formerly Local Government Superannuation Scheme).







# FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The Scheme has two types of membership, each of which is funded differently. Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

#### *Accumulation only Members*

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2019/20; 9.5% in 2018/19). No further liability accrues to the Authority as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

#### *Salarylink (Defined Benefit Fund) Members*

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions as determined by the Fund's Trustee based on advice for the appointed Actuary. The rate is currently 6.3% (6.3% in 2018/19) of 'superannuation' salary.

In addition, the Authority makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), the Authority does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willie Towers Watson as at 30 June 2020. 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.

#### *Contributions to Other Superannuation Schemes*

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

### **8 Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

# FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of 'Payables'.

#### 9 GST Implications

In accordance with UIG Abstract 1031 "Accounting for the Goods & Services Tax"

- Receivables and Creditors include GST receivable and payable.
- Except in relation to input taxed activities, revenues and operating expenditures exclude GST receivable and payable.
- Non-current assets and capital expenditures include GST net of any recoupment.
- Amounts included in the Statement of Cash Flows are disclosed on a gross basis.

#### 10 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

#### 11 Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

#### 12 New Accounting Standards

As a result of the introduction of AASB 15 and AASB 1058 as from 1 July 2019, there was no impact to the historical accounting policies of the Authority that required to be adjusted.

The Authority has applied AASB 16 for the first time from 1 July 2019. AASB 16 superseded AASB 117 Leases, Interpretation 4 Determining whether an arrangement contains a Lease and other related Interpretations. The standard sets out the principles for the recognition, measurement, presentations and disclosure of leases and requires lessees to recognise most leases on the balance sheet under a single on-balance sheet model. The Authority has lease contracts for its building facility. Before the adoption of AASB 16, the Authority classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease.

The Authority adopted AASB 16 using the modified retrospective method of adoption. Under this method, the standard has been applied retrospectively with the cumulative effect of initially applying the standard recognised as an adjustment to the opening balance of Accumulated Surplus as at 1 July 2019 and comparatives have not been restated.

The Authority recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases with lease terms that end within 12 months of the date of the date of initial application and leases of low-value assets. The right-of-use-assets for all leases were recognised based on the amount equal to the lease liabilities.



# FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

No adjustments were needed for any previously recognised prepaid or accrued lease expenses as there were none. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The effect of adoption of AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

	\$'000
<b>Assets</b>	
Property, Plant & Equipment	1,345
<b>Total Assets</b>	<b>1,345</b>
<b>Liabilities</b>	
Borrowings	1,345
<b>Total Liabilities</b>	<b>1,345</b>
Accumulated Surplus	nil

The following is the impact on the profit and loss in the current year as a result of the introduction of AASB 16:

	\$'000
Interest Expense – Lease Borrowings	34
Amortisation – right-of-use-assets	256
Lease Expenses	(255)
<b>Net increase in Expenses Recognised in Profit &amp; Loss</b>	<b>35</b>

### 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.

# FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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.

## FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 2 - INCOME

	Notes	2020 \$'000	2019 \$'000
<b>USER CHARGES</b>			
Waste Collection Income		12,159	11,768
Waste Processing Income		4,509	3,456
Administration		225	216
Member Council Waste Collection Rebate		(137)	-
		<b>16,756</b>	<b>15,440</b>
<b>INVESTMENT INCOME</b>			
Interest on investments			
Local Government Finance Authority		21	32
		<b>21</b>	<b>32</b>
<b>OTHER INCOME</b>			
Bin Supply		203	201
Replacement Bins		457	439
Sundry		17	44
		<b>677</b>	<b>684</b>

## NOTE 3 - EXPENSES

<b>EMPLOYEE COSTS</b>			
Salaries and Wages		4,599	4,434
Employee leave expense		56	25
Superannuation		381	369
Wages Casual Agency		467	522
Workers' Compensation Insurance		196	120
Other		152	110
<b>Total Employee Costs</b>		<b>5,851</b>	<b>5,580</b>
 <i>Number of FTE Employees as at reporting date</i>		 59	 55



## FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 3 - EXPENSES (Cont.)

	Notes	2020 \$'000	2019 \$'000
<b>MATERIALS, CONTRACTS &amp; OTHER EXPENSES</b>			
Auditor's Remuneration		10	9
Board Expenses		33	26
Lease costs		-	316
Waste Processing Costs		4,532	3,479
Electricity		27	25
Fuel, Gas & Oil		1,076	1,180
GPS Expenses		4	17
Legal Expenses		34	88
Maintenance		2,123	1,815
Parts, Accessories & Consumables		11	9
Printing, Stationery & Postage		24	55
Professional Services		449	440
Registration & Insurance - Trucks		364	358
Sundry		392	370
Telephone		41	42
		<b>9,120</b>	<b>8,229</b>
<b>FINANCE COSTS</b>			
Interest on Loans		247	290
Interest on Leases		34	-
		<b>281</b>	<b>290</b>
<b>DEPRECIATION &amp; AMORTISATION</b>			
Buildings & Other Structures	6	25	8
Plant, Machinery & Equipment	6	1,788	1,951
Right-of-use assets	6	256	-
		<b>2,069</b>	<b>1,959</b>

## FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 4 - ASSET DISPOSAL

	Notes	2020 \$'000	2019 \$'000
Proceeds from disposal		81	35
Less: Carrying amount of assets sold		(21)	(3)
<b>Gain (Loss) on disposal</b>		<b>60</b>	<b>32</b>

## NOTE 5 - CURRENT ASSETS

## CASH &amp; EQUIVALENT ASSETS

Cash on Hand and at Bank	1,160	1,548
Deposits at Call	1,162	419
	<b>2,322</b>	<b>1,967</b>

## TRADE &amp; OTHER RECEIVABLES

Debtors - general	1,013	716
Accrued Income	6	1
	<b>1,019</b>	<b>717</b>

## FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 6 - PROPERTY, PLANT &amp; EQUIPMENT

	Notes	2020 \$'000	2019 \$'000
Buildings & Other Structures - At Cost		162	106
Accumulated Depreciation		(82)	(56)
		<b>80</b>	50
Plant, Machinery & Equipment - At Cost		16,573	15,068
Accumulated Depreciation		(10,090)	(9,018)
		<b>6,483</b>	6,050
Right-of-use-assets		1,345	-
Accumulated Depreciation		(256)	-
		<b>1,089</b>	-
<b>Total Property, Plant &amp; Equipment</b>		<b>7,652</b>	6,100

	2019 \$'000	Movement in Property, Plant & Equipment during the financial year					2019 \$'000
	Carrying Value	Additions		Disposals	Depreciation	Transfer	Carrying Value
		New/ Upgrade	Renewal				
Buildings & Other Structures	50	55	-	-	(25)	-	80
Plant, Machinery & Equipment	6,050	2,242	-	(21)	(1,788)	-	6,483
Right-of-use-asset	-	1,345	-	-	(256)	-	1,089
	<b>6,100</b>	<b>3,642</b>	-	<b>(21)</b>	<b>(1,813)</b>	-	<b>7,652</b>
2019	6,165	1,897	-	(3)	(1,959)	1	6,100



## FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 7 - LIABILITIES

	2020 \$'000		2019 \$'000	
	Current	Non-current	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>				
Goods & Services	998	-	554	-
Accrued expenses - other	207	-	217	-
	<b>1,205</b>	<b>-</b>	<b>771</b>	<b>-</b>
<b>BORROWINGS</b>				
Loans	1,692	5,334	1,987	4,702
Lease Liabilities	237	887	-	-
	<b>1,929</b>	<b>6,221</b>	<b>1,987</b>	<b>4,702</b>
<b>PROVISIONS</b>				
Annual Leave	304	-	236	-
Long Service Leave	293	77	304	78
	<b>597</b>	<b>77</b>	<b>540</b>	<b>78</b>

## FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 8 - RECONCILIATION TO CASH FLOW STATEMENT

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 Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2020 \$'000	2019 \$'000
Total cash & equivalent assets	2,322	1,967
Less: Short-term borrowings	-	-
Balances per Cash Flow Statement	<u>2,322</u>	<u>1,967</u>

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

Net Surplus (Deficit)	193	168
<b>Non-cash items in Income Statement</b>		
Depreciation & amortisation	2,069	1,959
Net increase (decrease) in unpaid employee benefits	(56)	25
Net increase (decrease) accrued interest charges	(15)	(32)
(Gain) / Loss on Disposal	(60)	(19)
	<u>2,131</u>	<u>2,101</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(297)	410
Net increase (decrease) in trade & other payables	443	(31)
Net increase (decrease) in other provisions	112	-
<b>Net Cash provided by (or used in) operations</b>	<u>2,389</u>	<u>2,480</u>

## (b) Financing Arrangements

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

# FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 9 - FINANCIAL INSTRUMENTS

#### Recognised Financial Instruments

##### Bank, Deposits at Call, Short Term Deposits

**Accounting Policy:** Initially recognised at fair value and subsequently measured at amortised cost.

**Terms & conditions:** Deposits on Call do not have a maturity period and have an average interest rates of 0.4% - 0.45% (2019: 1.25% - 1.85%).

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

##### Receivables - Waste Collection Fees & Associated Charges

**Accounting Policy:** Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.

**Carrying amount:** approximates fair value (after deduction of any allowance).

##### Liabilities - Creditors and Accruals

**Accounting Policy:** Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.

**Terms & conditions:** Liabilities are normally settled on 30 day terms.

**Carrying amount:** approximates fair value.

##### Liabilities - Interest bearing borrowings

**Accounting Policy:** initially recognised at fair value and subsequently at amortised cost. Interest is charged as an expense using the effective interest rate.

**Terms & conditions:** secured over future revenues and Member Councils, borrowings are repayable on fixed interest terms. Rates between 2.55% - 5.35% (2019: 3.5% - 5.35%).

##### Liabilities - Leases

**Accounting Policy:** accounted for in accordance with AASB 16 as stated in Note 11.

#### Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

#### Risk Exposures

**Credit Risk** represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

**Market Risk** is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

**Liquidity Risk** is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.



## FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

## NOTE 9 - FINANCIAL INSTRUMENTS (Cont.)

## Liquidity Analysis

## 2020

	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>					
Cash & Equivalents	2,322	-	-	-	2,322
Receivables	-	-	-	1,013	1,013
<b>Total</b>	<b>2,322</b>	<b>-</b>	<b>-</b>	<b>1,013</b>	<b>3,335</b>
<i>Financial Liabilities</i>					
Payables	-	-	-	998	998
Borrowings	1,929	5,460	726	-	8,115
<b>Total</b>	<b>1,929</b>	<b>5,460</b>	<b>726</b>	<b>998</b>	<b>9,113</b>

## 2019

	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- Interest Bearing	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>					
Cash & Equivalents	1,967	-	-	-	1,967
Receivables	-	-	-	716	716
<b>Total</b>	<b>1,967</b>	<b>-</b>	<b>-</b>	<b>716</b>	<b>2,683</b>
<i>Financial Liabilities</i>					
Payables	-	-	-	554	554
Borrowings	1,987	3,390	1,312	-	6,689
<b>Total</b>	<b>1,987</b>	<b>3,390</b>	<b>1,312</b>	<b>554</b>	<b>7,243</b>

# FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### NOTE 10 - COMMITMENTS FOR EXPENDITURE

#### Expenditure Commitments

The Authority has expenditure commitments relating to fleet replacement totalling \$2.3M as at reporting date.

### NOTE 11 - LEASES

#### Authority as a lessee

##### Right-of-use-assets

The Authority leases its administrative and depot facilities at Ottoway.

	Buildings & Other Structures \$'000	Total \$'000
At 1 July 2019	1,345	1,345
Additions of right-of-use-assets	-	-
Depreciation Charge	(256)	(256)
At 30 June 2020	<u>1,089</u>	<u>1,089</u>

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

	2020 \$'000
At 1 July 2019	1,345
Additions	-
Accretion of interest	34
Payments	(255)
At 30 June 2020	<u>1,124</u>
Current	237
Non-Current	887

### NOTE 12 - EVENTS OCCURRING AFTER REPORTING DATE

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

# FINANCIAL STATEMENTS 2019-2020

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

### 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:

	2020 \$'000	2019 \$'000
Salaries, allowances & other short term benefits	476	467
<b>TOTAL</b>	<b>476</b>	<b>467</b>

#### Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
Adelaide Hills Council	3,370	128	Provision of kerbside waste collection and hardwaste
City of Burnside	2,943	165	Provision of kerbside waste collection and hardwaste
City of Mitcham	3,029	281	Provision of kerbside waste collection and hardwaste
City of Norwood, Payneham & St Peters	2,709	144	Provision of kerbside waste collection and hardwaste
City of Prospect	1,429	86	Provision of kerbside waste collection and hardwaste
Corporation of the City of Campbelltown	3,218	178	Provision of kerbside waste collection and hardwaste
Corporation of the Town of Walkerville	589	28	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.



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# FINANCIAL STATEMENTS 2019-2020

## MEMBER COUNCIL CERTIFICATION OF AUDITOR INDEPENDENCE

### EASTERN WASTE MANAGEMENT AUTHORITY

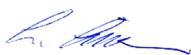
### ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 June 2020

### CERTIFICATION OF AUDITOR INDEPENDENCE

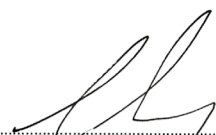
To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Eastern Waste Management Authority for the year ended 30 June 2020, the Authority's Auditor, Bentleys SA Audit Partnership, has maintained its independence in accordance with the requirements of the *Local Government 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*.



Andrew Aitken  
Chief Executive Officer  
Adelaide Hills Council

Date: 29 September 2020



Chris Cowley  
Chief Executive Officer  
City of Burnside

Date: 29/9/2020



Paul Di Iulio  
Chief Executive Officer  
Campbelltown City Council



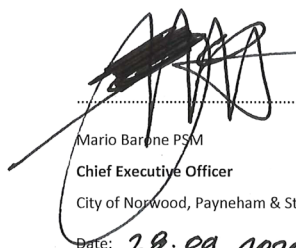
Nigel McBride  
Chief Executive Officer  
City of Prospect

Date: 29/09/2020



Matthew Pears  
Chief Executive Officer  
City of Mitcham

Date: 30/09/2020



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

Date: 28.09.2020



Kiki Cristol  
Chief Executive Officer  
Town of Walkerville

Date: 28/9/2020

# FINANCIAL STATEMENTS 2019-2020

## CERTIFICATION OF AUDITOR INDEPENDENCE



**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 2020, 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 25<sup>th</sup> September 2020**

## FINANCIAL STATEMENTS 2019-2020

## 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 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the Certification of the Financial Statements.

In our opinion, the financial report gives a true and fair view of the financial position of the Eastern Waste Management Authority Inc as of 30 June 2020, 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.

# FINANCIAL STATEMENTS 2019-2020

## INDEPENDENT AUDITOR'S REPORT



### Auditor's Responsibilities for the Audit of the Financial Report

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

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

### BENTLEYS SA AUDIT PARTNERSHIP

DAVID PAPA  
PARTNER

Dated at Adelaide this 30<sup>th</sup> day of September 2020



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**The waste industry finds itself in a disruptive space at the moment, with many unknowns continuing to present themselves.**

**This presents a great opportunity for East Waste to outline and deliver a robust strategic direction, that identifies clear objectives, advocacy enhancement and growing partnerships with like-minded organisations to efficiencies and sustainable behavioural change practices that ensure waste minimisation targets are met.**”

Fraser Bell  
East Waste Chair



# EastWaste

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