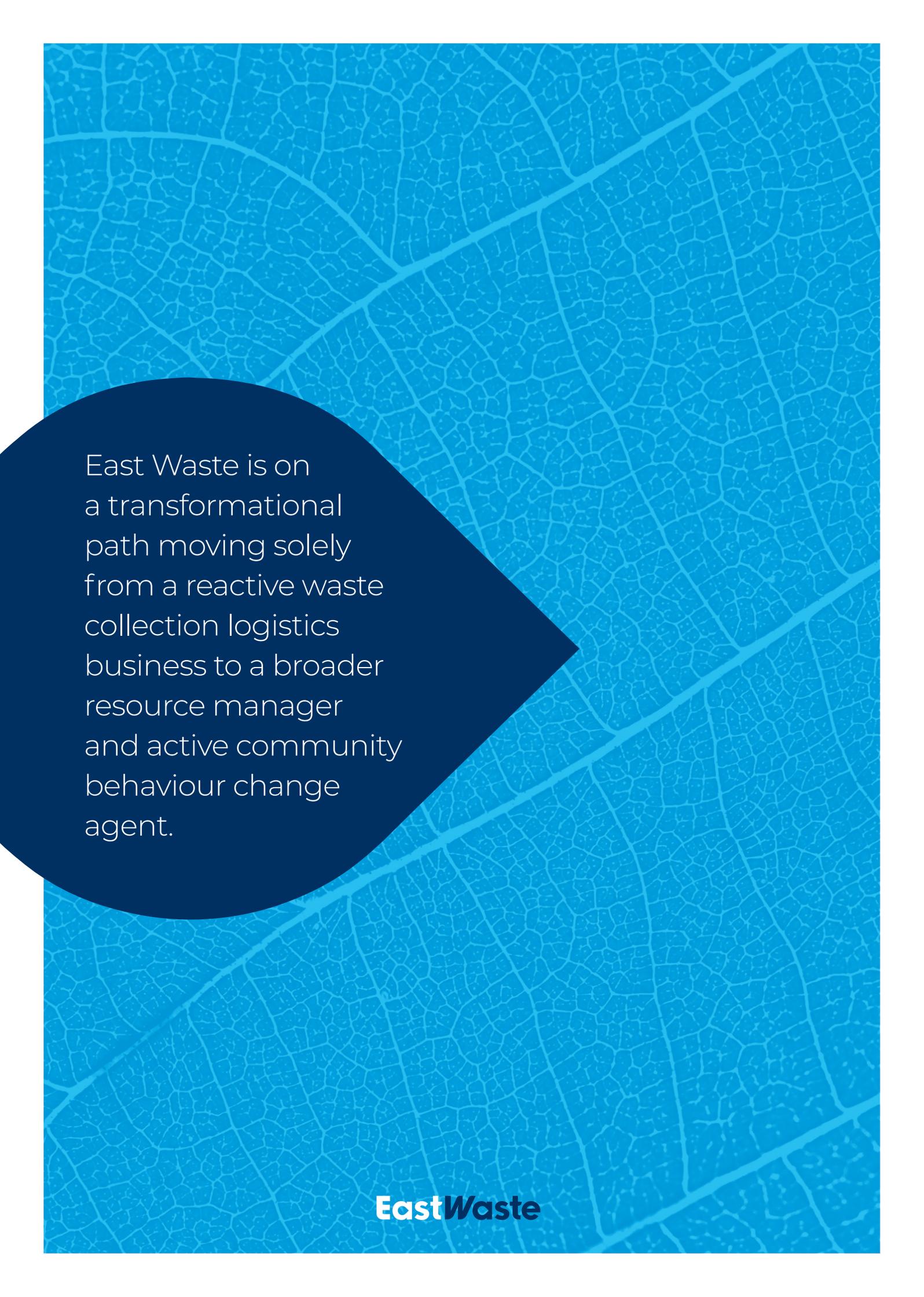


EastWaste

ANNUAL
REPORT
2020-2021





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.

EastWaste

Annual Report 2020-2021 Contents

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'Food scraps to green bin' and the use of kitchen caddies was promoted through bus shelters and street signs. Pictured: Kerry March and Michaela Tamlin from City of Mitcham.

Chairperson's Report

It is with much enthusiasm that I commend to you the second Annual Report of my tenure as Chair of East Waste for the 2020/21 financial year.

The challenges, opportunities and learnings that have come with the position have been thoroughly enjoyable and it is hard to communicate to those outside of the industry how much it is continually evolving. A number of moving parts, strategically, politically (policy) and operationally are constantly occurring. All of this is moving in a positive direction and East Waste continues to perform well and participate in the right discussions to benefit our Members and the community.

Financially, East Waste has performed strongly once again and through efficient and diligent budget management, coupled with favourable markets, East Waste has been able to deliver an Operating Surplus of \$726,000. These savings will be returned to our Member Councils. This alone demonstrates one of the key benefits and distinctions of being part of the East Waste subsidiary.

This great financial performance has unquestionably been aided by a highly engaged

and conscientious Audit and Risk Management Committee, which has worked with Management and the Board to further enhance the systems and Governance of the Organisation. I want to take this opportunity to thank all Members of the Audit and Risk Management Committee.

While in this vein, I must thank the members of our Board. Our meetings generate strong robust conversations and decision making which is applied to all matters. As a result, our Member Councils enjoy a high degree of confidence in the governance, processes and strategic direction of the Organisation. We will continue to build upon this. Many of the Board members have been a valuable counsel and this helps from time to time. I would specifically like to acknowledge Mario Barone's time on the Board. Mario sat on the Board and various sub-committees for a number of years. His insights on all matters were very valuable.

Through the 2030 Strategic Plan East Waste set a number of bold targets that it seeks to



Chairperson's Report



● The popular Why waste it? and Which Bin? education stalls were hosted at a total of 21 Council events.

aspire to achieve and we know that we cannot do these alone. We require the assistance and influence of many individuals and Organisations and are fortunate that we have already built some strong partnerships with parties like the Northern Adelaide Waste Management Authority (NAWMA), Fight Food Waste Cooperative Research Centre (FFW CRC), KESAB, the Environment Protection Authority and Green Industries SA (GISA). We look forward to continuing to work with these Organisations and others for the express benefit of our Member Councils.

Since its transformation from Zero Waste SA, we have been fortunate to have Vaughan Levitzke head up GISA. Vaughan's retirement earlier this year closes a long and distinguished Public Sector career and his legacy on the waste industry and support of local Councils will provides benefits well outliving his career. On behalf of East Waste we congratulate and thank Vaughan. We look forward to Dr Ian Overton, his replacement, putting his own strong stamp on the role and valued Organisation.

Earlier this year, as part of our project with the FFW CRC, which is supported by GISA and Adelaide University, we undertook the most comprehensive individual bin audit ever undertaken in South Australia. While the results

of the project are still being analysed, the early data coming from the project provides insight and will help shape not only East Waste's future behaviour change and education programs, but those more broadly rolled out through state and local government across Australia. The project is a fantastic demonstration of the value of like-minded, but diverse Organisations collaborating to advance research and innovate new ways to tackle age old problems.

In my 25 years in the waste industry, the only constant has been change itself. The year ahead will be no different and undoubtedly will deliver a number of opportunities and challenges. With the engaged Board, Administration and Member Councils that we have, we are exceptionally well placed to tackle each of these issues and maximise them for the benefit of our Member Councils.



Fraser Bell
East Waste Chair





113,332 TOTAL TONNAGES COLLECTED



8,500,000+ ANNUAL BIN COLLECTIONS



3,275 HARD WASTE TONNES CONVERTED TO FUEL



56% OF MATERIAL DIVERTED FROM LANDFILL



45 COLLECTION VEHICLES



5,769 BIN REPAIRS UNDERTAKEN BY THE MOBILE TEAM



4,449 BIN DELIVERIES UNDERTAKEN PER YEAR



2,000+ ENQUIRIES RECEIVED & RESOLVED EACH WEEK

General Manager's Report

In reflecting on the year, the first thing that comes to mind is an enormous sense of gratitude. Gratitude to the East Waste staff who have continually adapted to the changing nature of the COVID environment that we live in. From our Drivers and Mechanics to Customer Service staff and Management, all have worked with us to ensure all our services could continue to be delivered regardless of the phase we found ourselves in.

East Waste adopted (and is continuing to do so) a number of changes to our business operations to ensure the health, safety and welfare of our staff and their families, well ahead of many others in the waste industry and to ensure we can continue to deliver our services. This was (and is) only possible with the continued support and adaptability of our staff. To all, my ongoing thanks.

In late 2020 the Board adopted a new 10-year Strategic Plan for East Waste. The 2030 plan sets the aspirational vision of being "The leading waste logistics Company in Australia through the delivery of innovative collection and resource

management services to our Member Councils and their communities."

Bold Key Performance Targets were set as part of this, most notably (and challengingly), 100% of food waste being separately collected and recycled by 2030. With a baseline of just 13% (2019 East Waste Audit), there is an enormous amount of work and step change required to achieve this. As will driving our kerbside diversion rate up to 75% which currently sit at 54%. Transferring food waste and compostable materials from the landfill bin (which currently make up almost 40% of the total contents (2019 East Waste Audit)) to the organics bin is undoubtedly the



General Manager's Report



key to achieving this target. As Fraser mentions in his report, we appreciate that we cannot do this alone and that we need the support and partnerships of others.

East Waste has for the past 4 years been a strong and active participant in the waste education and behaviour change space and our work over the past year is no different. Through the 2020/21 Annual Plan, East Waste committed to undertaking a review of East Waste's Education Program, principally with a view to determining the return on investment. Measuring the true value/benefit of any educational program is challenging and none more so than waste education, where a process of awareness and behaviour change is first needed before actual results can be realised. Typically, this is not instantaneous and can often be a long-protracted implementation. Undertaken by an independent economic firm, the results showed that the benefit-cost ratio (BCR) of the investment is a minimum of \$3.10 for every \$1.00 of investment expenditure incurred in implementing the education program.

This program is largely driven by our Education & Promotions Coordinator Megan Bekesi and her passion and active engagement in this space was

rewarded with being a joint winner of the Green Industries SA 2020 Women in Circular Economy Award winner. As a winner Megan receives funding to further study education in waste and we look forward to seeing her apply her findings to our already successful campaign.

Finally, I want to thank and acknowledge the Board and Audit and Risk Management Committee which have supported our initiatives and provided valuable feedback to solidify our strength as an organisation. To Chair, Mr Fraser Bell, your guidance and encouragement has been invaluable, but above these your enthusiasm for the industry and Organisation ensures the long-term viability of East Waste for our Member Councils.



Rob Gregory
General Manager



'Food scraps to green bin' and the use of kitchen caddies was promoted through bus shelters and street signs. Pictured: Customer Service staff, Hedy Hashemi and Cristina Nazar from Town of Walkerville.

Kerbside Tonnages Collected



Member Council	Recyclables	Organics	Waste
Adelaide Hills Council	3,559	4,560	7,190
City of Burnside	4,055	6,858	7,224
Campbelltown City Council	4,124	7,274	9,872
City of Mitcham	5,684	10,128	11,898 ¹
City of Norwood, Payneham & St Peters	3,531	4,931	7,224
City of Prospect	1,740	3,141	4,177
Town of Walkerville	663	1,087	1,211

¹ 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 2020-2021 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Fraser Bell (Chair)	6/6
Cr Linda Green (Adelaide Hills Council)	5/6
Mr Simon Bradley (City of Prospect) *Ceased 20 May 2021	3/4
Mr Vincent Cammell (City of Prospect) *Appointed 22 May 2021	1/2
Cr Julian Carbone (City of Burnside)	3/6
Mr Paul Di Iulio (Campbelltown City Council)	4/6
Mayor Heather Holmes-Ross (City of Mitcham)	4/6
Mr Mario Barone (City of Norwood, Payneham & St Peters) *Ceased 31 December 2020	2/2
Cr Mike Stock (City of Norwood, Payneham & St Peters) *Appointed 01/01/2021	4/4
Cr Rob Ashby (Corporation of the Town of Walkerville)	6/6
DEPUTY DIRECTOR ATTENDANCE	MEETINGS
Mr Craig Harrison (City of Mitcham)	1/6

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 2020-2021 financial year. The table below details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
Mr Fraser Bell (Chair)	4/5
Mr Mario Barone (City of Norwood, Payneham & St Peters) *Ceased 31/12/2020	2/2
Cr Mike Stock (City of Norwood, Payneham & St Peters) *Appointed 31/01/2021	1/1
Mr Simon Bradley (City of Prospect) *Appointed 01/01/2021 *Ceased 20/05/2021	1/2
Cr Linda Green (Adelaide Hills Council)	5/5
Mr Tim Muhlhausler (Independent Member) *Ceased 31/12/2020	2/2
Ms Emma Hinchey (Independent Member) *Appointed 01/01/2021	3/3
Ms Sandra Di Blasio (Independent Member) *Appointed 01/01/2020	5/5

The Audited Financial Statements for the year ending 30 June 2021 are provided on the following pages.

EastWaste

FINANCIAL
STATEMENTS
2020-2021



Financial Statements

2020-2021

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Financial Statements 2020-2021

CERTIFICATION OF FINANCIAL STATEMENTS

EASTERN WASTE MANAGEMENT AUTHORITY INC

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2021

CERTIFICATION OF FINANCIAL STATEMENTS

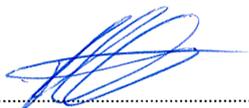
We have been authorised by Eastern Waste Management Authority Inc. to certify the financial statements in their final form. In our opinion:

- 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 2021 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



Fraser Bell
Chairperson

Date: 30 SEPTEMBER 2021

Financial Statements 2020-2021

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
INCOME			
User charges	2	16,707	16,756
Investment income	2	12	21
Grants, subsidies and contributions		-	-
Other	2	917	677
Total Income		17,636	17,454
EXPENSES			
Employee costs	3	6,089	5,851
Materials, contracts & other expenses	3	9,149	9,120
Finance costs	3	262	281
Depreciation & amortisation	3	1,986	2,069
Total Expenses		17,486	17,321
OPERATING SURPLUS		150	133
Asset disposal & fair value adjustments	4	105	60
NET SURPLUS		255	193
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		255	193

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

Financial Statements 2020-2021

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	3,168	2,322
Trade & other receivables	5	661	1,019
Total Current Assets		3,829	3,341
Non-current Assets			
Property, Plant & Equipment	6	8,098	7,652
Total Non-current Assets		8,098	7,652
Total Assets		11,927	10,993
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	1,609	1,205
Provisions	7	654	597
Borrowings	7	1,925	1,929
Total Current Liabilities		4,188	3,731
Non-current Liabilities			
Borrowings	7	6,423	6,221
Provisions	7	97	77
Total Non-current Liabilities		6,520	6,298
Total Liabilities		10,708	10,029
Net Assets		1,219	964
EQUITY			
Accumulated Surplus		1,219	964
Total Equity		1,219	964

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



Financial Statements 2020-2021

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Accumulated Surplus \$'000	Total Equity \$'000
Balance at start of period - 1 July 2020	964	964
Net Surplus for Year	255	255
Other Comprehensive Income		
Contributed Equity	-	-
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2021	1,219	1,219
Balance at start of period - 1 July 2019	706	706
Net Surplus for Year	193	193
Other Comprehensive Income		
Contributed Equity	65	65
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2020	964	964

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

Financial Statements 2020-2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts		18,457	17,136
Investment receipts		7	16
Employee costs		(6,012)	(5,795)
Materials, contracts & other expenses		(9,243)	(8,677)
Finance payments		(233)	(291)
Net cash provided by operating activities	8	2,976	2,389
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of replaced assets	4	124	81
Expenditure on renewal/replacement of assets	6	(2,452)	(2,297)
Net cash used in investing activities		(2,328)	(2,216)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital contribution by member councils		-	65
Proceeds from Borrowings		2,284	2,171
Repayments of Borrowings		(1,826)	(1,834)
Repayment of lease liabilities		(260)	(220)
Net cash provided by (used in) financing activities		198	182
Net Increase (Decrease) in cash held		846	355
Cash & cash equivalents at beginning of period	5	2,322	1,967
Cash & cash equivalents at end of period	5	3,168	2,322

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

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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).

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. 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

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

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.

Asset Class	Estimated Useful Lives	Capitalisation Threshold
Plan, 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.

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

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.

The Authority has recognised for the first time in 2020/21 a liability for employee benefits relating to rostered day off (RDO) entitlements in Note 7 given entitlements are paid-out on termination of employment. Experience indicates that RDO entitlements are generally taken given there is a cap applied to the level of RDO entitlements allowed to be accrued.

No accrual is made for sick leave as the Authority's experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.



East Waste's public education program is largely driven by our Education & Promotions Coordinator Megan Bekesi. Her passion and active engagement in this space was rewarded with being a joint winner of the Green Industries SA 2020 Women in Circular Economy Award. Pictured: David Speirs MP, Minister for Environment and Water, and Megan Bekesi.

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

7.2 Superannuation

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

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with Superannuation Guarantee Legislation (9.5% in 2020/21; 9.5% in 2019/20). 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 2019/20) of 'superannuation' salary.

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

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

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

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

8 Borrowings

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

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

9 GST Implications

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

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

10 Comparative Information

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

11 Critical Accounting Estimates and Judgements

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

The Authority has recorded a liability totalling \$0.47 million as at 30 June 2021 as a result of over estimating waste charges required to be recovered from Member Councils to fund operational expenses relating to the current financial year. A liability has been recorded in Note 7 as at 30 June 2021 which will be returned in the form of a reduction in waste collection fees to be charged to Member Councils in the following financial year.

12 New Accounting Standards

The Authority applied for the first-time certain new standards and amendments, which are effective for annual reporting periods beginning on or after 1 January 2020. New standards and amendments relevant to the Authority are listed below. The Authority has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Amendments to AASB 101 and AASB 108 Definition of Material

The amendments provide a new definition of material that states, "information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

financial information about a specific reporting entity". The amendments clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users. These amendments had no impact on the financial statements of, nor is there expected to be any future impact to the Authority.

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 was re-financed through the Local Government Finance Authority, to be repaid over 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.

The loan was fully repaid in the 2019/20 financial year.



Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2 - INCOME

	Notes	2021 \$'000	2020 \$'000
USER CHARGES			
Waste Collection Income		12,327	12,159
Waste Processing Income		4,640	4,509
Administration		235	225
Member Council Waste Collection Rebate		(540)	(137)
		16,707	16,756
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		12	21
		12	21
OTHER INCOME			
Bin Supply		254	203
Replacement Bins		642	457
Sundry		21	17
		917	677
NOTE 3 - EXPENSES			
EMPLOYEE COSTS			
Salaries and Wages		4,924	4,599
Employee leave expense		76	56
Superannuation		403	381
Wages Casual Agency		490	467
Workers' Compensation Insurance		113	196
Other		83	152
Total Employee Costs		6,089	5,851
<i>Number of FTE Employees as at reporting date</i>		57	59

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 3 - EXPENSES (Cont.)

	Notes	2021 \$'000	2020 \$'000
MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration		9	10
Board Expenses		29	33
Waste Processing Costs		4,614	4,532
Electricity		4	27
Fuel, Gas & Oil		993	1,076
Legal Expenses		27	34
Maintenance		2,214	2,123
Parts, Accessories & Consumables		2	11
Printing, Stationery & Postage		36	24
Professional Services		440	449
Registration & Insurance - Trucks		215	364
Sundry		566	437
		9,149	9,120
FINANCE COSTS			
Interest on Loans		234	247
Interest on Leases		28	34
		262	281
DEPRECIATION & AMORTISATION			
Buildings & Other Structures	6	10	25
Plant, Machinery & Equipment	6	1,725	1,788
Right-of-use assets	6	251	256
		1,986	2,069

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 4 - ASSET DISPOSAL

	Notes	2021 \$'000	2020 \$'000
Proceeds from disposal		124	81
Less: Carrying amount of assets sold		(19)	(21)
Gain (Loss) on disposal		105	60

NOTE 5 - CURRENT ASSETS

CASH & CASH EQUIVALENTS

Cash on Hand and at Bank		2,995	1,160
Deposits at Call		173	1,162
		3,168	2,322

TRADE & OTHER RECEIVABLES

Debtors - general		654	1,013
Accrued Income		-	6
Prepaid Expenses		7	-
		661	1,019

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2021 \$'000	2020 \$'000
Buildings & Other Structures - At Cost		325	162
Accumulated Depreciation		(92)	(82)
		233	80
Plant, Machinery & Equipment - At Cost		17,227	16,573
Accumulated Depreciation		(10,176)	(10,090)
		7,051	6,483
Right-of-use-assets		1,321	1,345
Accumulated Depreciation		(507)	(256)
		814	1,089
Total Property, Plant & Equipment		8,098	7,652

	2020 \$'000						2021 \$'000
	Carrying Value	Additions		Disposals	Depreciation	Adjustment	Carrying Value
		New/ Upgrade	Renewal				
Buildings & Other Structures	80	163	-	-	(10)	-	233
Plant, Machinery & Equipment	6,483	2,312	-	(19)	(1,725)	-	7,051
Right-of-use-asset	1,089	-	-	-	(251)	(24)	814
	7,652	2,475	-	(19)	(1,986)	(24)	8,098
2020	6,100	3,642	-	(21)	(2,069)	-	7,652

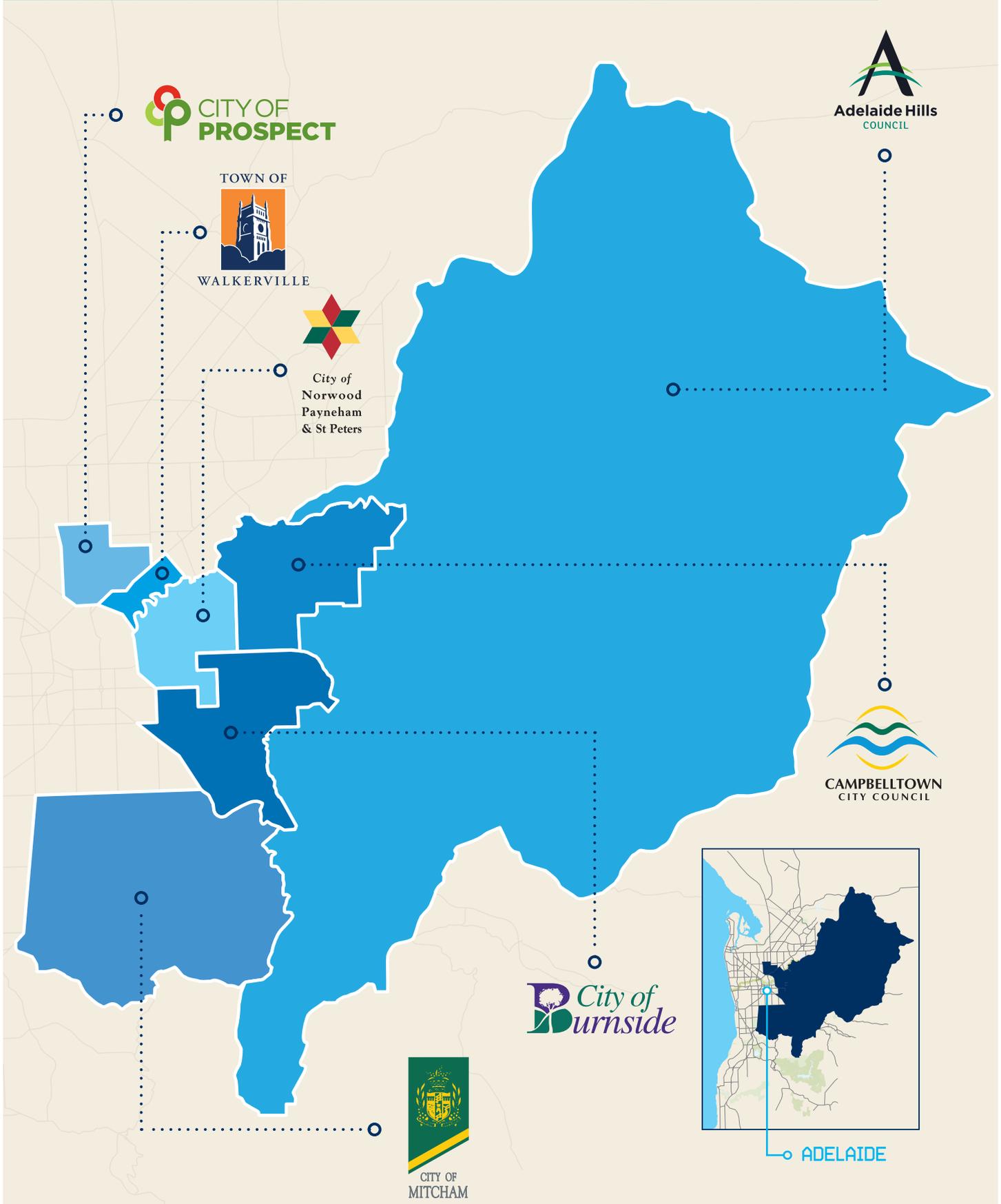
Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 7 - LIABILITIES

	2021 \$'000		2020 \$'000	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	902	-	998	-
Accrued expenses - other	707	-	207	-
	1,609	-	1,205	-
BORROWINGS				
Loans	1,679	5,805	1,692	5,334
Lease Liabilities	246	618	237	887
	1,925	6,423	1,929	6,221
PROVISIONS				
Annual Leave	302	-	304	-
Rostered-Day-Off (RDO)	51	-	-	-
Long Service Leave	301	97	293	77
	654	97	597	77

Current Service Area



Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 8 - CASH FLOW RECONCILIATION

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:

	2021 \$'000	2020 \$'000
Total cash & equivalent assets	3,168	2,322
Balances per Cash Flow Statement	<u>3,168</u>	<u>2,322</u>

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

Net Surplus (Deficit)	255	193
Non-cash items in Income Statement of Comprehensive Income		
Depreciation	1,986	2,069
Net increase (decrease) in employee benefits	(77)	(56)
Net increase (decrease) accrued expenses	24	(15)
(Gain) / Loss on Disposal	(105)	(60)
Waste Rebates	470	-
	<u>2,553</u>	<u>2,131</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	363	(297)
Net increase (decrease) in trade & other payables	(94)	443
Net increase (decrease) in other provisions	154	112
Net Cash provided by (or used in) operations	<u>2,976</u>	<u>2,389</u>

(b) Financing Arrangements

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

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost.</p> <p>Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 0.3% (2020: 0.4% - 0.45%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Waste Collection Fees & Associated Charges	<p>Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>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.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Interest bearing borrowings	<p>Accounting Policy: initially recognised at fair value and subsequently at amortised cost. Interest is charged as an expense using the effective interest rate.</p> <p>Terms & conditions: secured over future revenues and Member Councils, borrowings are repayable on fixed interest terms. Rates between 1.7% - 5.35% (2020: 2.55% - 5.35%).</p>
Liabilities - Leases	<p>Accounting Policy: accounted for in accordance with AASB 16 as stated in Note 11.</p>

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 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 9 - FINANCIAL INSTRUMENTS (Cont.)

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.

Liquidity Analysis

2021	≤ 1 year	Maturity		Non-Interest Bearing	Total
		> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>					
Cash & Equivalents	3,168	-	-	-	3,168
Receivables	-	-	-	654	654
Total	3,168	-	-	654	3,822
<i>Financial Liabilities</i>					
Payables	-	-	-	902	902
Borrowings	1,925	5,091	1,332	-	8,348
Total	1,925	5,091	1,332	902	9,250

2020	≤ 1 year	Maturity		Non-Interest Bearing	Total
		> 1 year ≤ 5 years	> 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Financial Assets</i>					
Cash & Equivalents	2,322	-	-	-	2,322
Receivables	-	-	-	1,013	1,013
Total	2,322	-	-	1,013	3,335
<i>Financial Liabilities</i>					
Payables	-	-	-	998	998
Borrowings	1,929	5,460	726	-	8,115
Total	1,929	5,460	726	998	9,113

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 10 - EXPENDITURE COMMITMENTS

Expenditure Commitments

The Authority has expenditure commitments totalling an estimated \$2 million as at reporting.

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 2020	1,089	1,089
Additions of right-of-use-assets	-	-
Depreciation Charge	(251)	(251)
Adjustments to right-of-use-assets	(24)	(24)
At 30 June 2021	814	814

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

	2020 \$'000
At 1 July 2020	1,124
Additions	-
Accretion of interest	28
Payments	(258)
Adjustments to lease liability	(30)
At 30 June 2021	864
Current	265
Non-Current	599

NOTE 12 - POST BALANCE DATE EVENTS

There were no events post balance date that are required to be disclosed.

Financial Statements 2020-2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13 - RELATED PARTY TRANSACTIONS

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

	2021 \$'000	2020 \$'000
Salaries, allowances & other short term benefits	462	476
TOTAL	462	476

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	3,307	55	Provision of kerbside waste collection and hard waste collection services
City of Burnside	3,064	79	Provision of kerbside waste collection and hard waste collection services
City of Mitcham	3,082	171	Provision of kerbside waste collection and hard waste collection services
City of Norwood, Payneham & St Peters	2,823	159	Provision of kerbside waste collection and hard waste collection services
City of Prospect	1,471	35	Provision of kerbside waste collection and hard waste collection services
Corporation of the City of Campbelltown	3,508	76	Provision of kerbside waste collection and hard waste collection services
Corporation of the Town of Walkerville	581	25	Provision of kerbside waste collection and hard waste collection services

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.



Financial Statements 2020-2021

CERTIFICATION OF AUDITOR INDEPENDENCE



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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 2021, I have maintained my independence in accordance with the requirements of APES 110 – Code of Ethics for Professional Accountants, Section 290, published by the Accounting Professional and Ethical Standards Board, in accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011 made under that Act.

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

Bentleys SA Audit Partnership

A handwritten signature in black ink, appearing to read "David Papa".

David Papa
Partner

Dated at Adelaide this 30th September 2021

INDEPENDENT AUDITOR'S REPORT



Bentleys SA Audit Partnership

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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 2021, 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 2021, 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 2020-2021

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 1st day of October 2021

East Waste's behavioural change initiatives include eliminating food waste from being disposed of to landfill by targeting 100% of food waste collected from residential premises to be recycled by 2030.

**Why waste it?
When you can
compost it.**

- Paper Napkins, Paper Towels & Tissues
- Paper Bags & Food Wrapping
- Food

whichbin.com.au



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Management Authority



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