

# Subsidiary Reports

Eastern Health Authority

East Waste

Highbury Landfill Authority

# annual report 2014 / 2015



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# Message from the Chairperson

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## EHA continues to excel in the provision and delivery of public health services to the five Constituent Councils.

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Sue Whittington  
Chairperson

Following Local Government elections in November 2014, Eastern Health Authority welcomed three new Board Members (Councillors Bishop, Evans and Shetliffe) and seven previous members (Councillors Barnett, Cornish, Knoblauch, Kennedy, Monceaux, Ryan and Whittington) to the Board of Management. These members represent the five Constituent Councils of EHA, Prospect, Walkerville, Campbelltown, Burnside and Norwood, Payneham and St. Peters.

As a prominent Local Government immunisation provider in South Australia, EHA has continued to promote the benefits of vaccination in eliminating life threatening infectious diseases. Public clinics, workplace programmes and school based programmes provide a comprehensive suite of vaccines. This year a delay in the manufacturing process of the influenza vaccine resulted in late delivery of the vaccine for clinics. In response to reports of an increase in Whooping Cough (*Pertussis*) in the community EHA experienced a noticeable increase in demand for this vaccine. Importantly, the *Pertussis* vaccine was made available free to pregnant women in their third trimester and recommended for fathers, grandparents and other carers of young children.

EHA is diligent in the monitoring and enforcement of public health standards in food premises, high risk manufactured water systems, waste water systems, swimming pools and personal grooming and body art premises. This is an important function of EHA and is vital to public safety. Non compliance in food premises

continues to be a high priority. EHA employs a graduated enforcement response when dealing with non-compliance, ranging from education through to prosecution.

Supported Residential Facilities (SRF's) accommodate some of the most disabled and vulnerable people in our community. EHA continues to be responsible for the licensing and regulation of standards in SRF's for Constituent Councils and for the City of Unley on a user-pays basis. This year all audits were conducted on an unannounced basis in an effort to encourage proprietors and managers to operate each facility to a high standard.

The S.A. *Public Health Act 2011* requires Councils to develop public health plans, consistent with the State Public Health Plan, to respond to public health challenges in their communities. In a fine example of Local Government collaboration EHA has developed a regional public health plan on behalf of Constituent Councils. The Plan has recently been adopted by all Constituent Councils. The Regional Public Health Plan committee will continue to discuss implementation of the strategies contained in the plan.

EHA continues to excel in the provision and delivery of public health services to the five Constituent Councils. I would like to thank EHA staff and the CEO for the diligent and sensitive manner in which they deal with the many complex issues which are the responsibility of EHA.

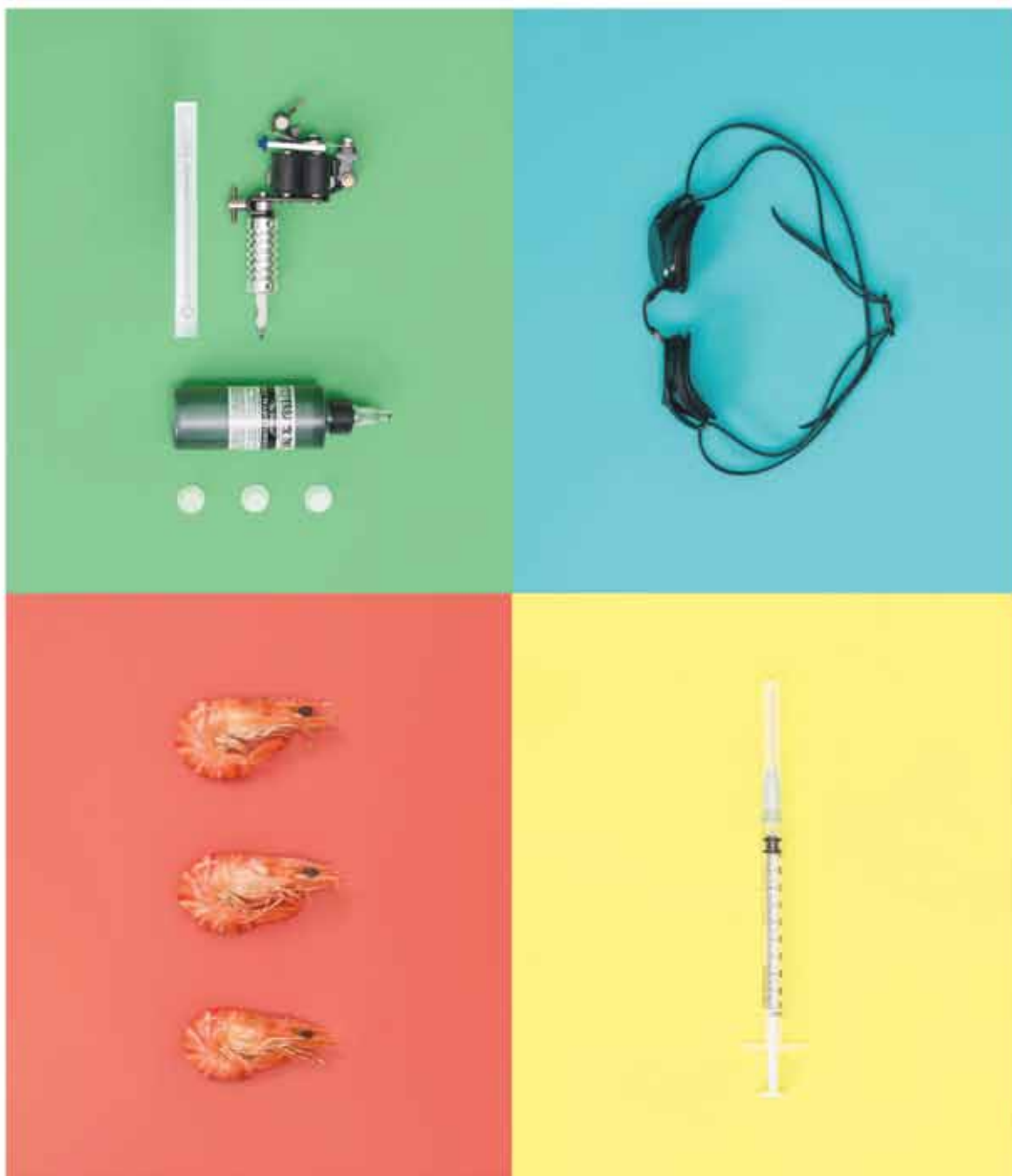
It has been my pleasure to work with a dedicated Board and I thank them for their support and commitment.

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# About Eastern Health Authority



**Eastern Health Authority (EHA) is a regional subsidiary established under Section 43 of the *Local Government Act 1999* which provides a range of environmental health services to the community on behalf of its Constituent Councils in the eastern and inner northern suburbs of Adelaide, South Australia.**

**The Constituent Councils are:**

City of Burnside (Burnside)

Campbelltown City Council (Campbelltown)

City of Norwood Payneham and Peters (NPSP)

City of Prospect (Prospect)

The Corporation of the Town of Walkerville (Walkerville)

During 2014-15 EHA discharged the environmental health responsibilities of its five Constituent Councils under the *South Australian (SA) Public Health Act 2011*, *Food Act 2001* and *Supported Residential Facilities Act 1992*. Services include the provision of immunisation services, hygiene and sanitation control, licensing and monitoring of SRFs, and monitoring of food safety standards including inspection of food

premises. Immunisation services are provided to the City of Unley on a user-pays basis. EHA also licenses and monitors SRFs on behalf of the City of Unley.

	Burnside	Campbelltown	NPSP	Prospect	Walkerville	Total
Rateable Properties	20,558	22,671	19,352	9,624	3,506	75,711
Population of Council	44,734	51,344	36,600	20,910	7,345	160,933
Number of Food Premises	260	271	435	190	45	1,201
Swimming & Spa Pools Sites	12	3	11	1	3	30
Cooling Towers & Warm Water Systems Sites	6	5	11	2	1	25
Supported Residential Facilities	3	2	1	2	0	8
Hairdressers/Beauty Treatment	61	47	93	35	9	245
Public & Environmental Health Complaints	64	70	60	39	15	268
2014 SBIP Year 8 Enrolment Numbers	641	576	652	182	74	2,125
2014 SBIP Year 9 Enrolment Numbers	652	608	633	175	67	2,135
Immunisation Clinics – Client Numbers	1,058	1,196	1,387	276	200	4,117
Immunisation Clinics – Vaccines Given	1,969	2,308	2,620	495	389	7,781

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# Chief Executive Officer's Report

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**“There is nothing more important than the health and wellbeing of our local communities.”**



**Michael Livori**  
**Chief Executive Officer**

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When developing this report I thought it was an opportune time to not only reflect on the actual work EHA has undertaken over the past year, but also to reflect on why we exist and the significance of the role we undertake on behalf of our Constituent Councils.

There is nothing more important than the health and wellbeing of our local communities. Health is a human right, a vital resource for everyday life and a key factor of sustainability. For over a century local government has played a vital role in ensuring this basic right is available to its communities.

The first iteration of a Regional Public Health Plan for the EHA area has now been finalised and adopted by all Constituent Councils. It reflects on the broad range of services our councils provide which contribute to the health and wellbeing of the community.

One responsibility identified in the plan is the provision and facilitation of preventive health services to protect

the community from known health threats. This responsibility also extends to the identification and response to new and emerging issues. Much of this work is in relation to the prevention and control of diseases and is mandated in legislation. EHA exists as a Local Government Regional Subsidiary to fulfill these important responsibilities on behalf of its Constituent Councils.

While many examples of Regional Subsidiaries exist, most are based on business functions such as waste management or exist to facilitate regional associations. EHA is the only example of an organisation fulfilling a group of councils Public Health legislative responsibilities in such a fashion.

The increasingly complex environmental health field encompasses elements of biological and chemical science, microbiology, sociology, epidemiology, food technology, health promotion, prevention of communicable diseases and general public health principles.

This diversity makes it extremely difficult for small organisations to have staff experienced and fully competent across all spheres of the profession.

EHA's Core Business and single focus is Environmental Health. It is structured to ensure that specialised staff offer proficient delivery of all required Environmental Health services to its Constituent Councils. By having a critical mass of professional staff, EHA has increased flexibility to apply resources where and when needed and maintain continuity of services to cover for staff illness and staff turnover. The alternative is to have professionally unsupervised staff working in relative isolation.

Working cooperatively and regionally in this way provides other benefits which include being seen and considered as an expert in the field; the potential to investigate cross-council issues and implement broader health policies; having a greater voice when dealing with larger government bodies; having the required experience and ideas to deal with emerging issues; and the economies of scale that occur from the sharing of equipment, facilities and other resources.

I believe working within a structure that nurtures and supports effective collaboration helps promote a dynamic and committed workforce, where knowledge and value are continually created. In this regard the importance of the professional and peer support available to staff by experts and leaders in the field at EHA cannot be underestimated. The value of such support lies not only in the potential to build organisational capacity through the transfer or pooling of knowledge, but also in the assistance it provides in workforce retention and stability.

The Annual Report is an overview of the work we do and cannot detail the complexities and challenges we face when delivering our services. Looking back at the professional manner in which EHA staff have managed a high volume of complex issues and emergency investigations, whilst also managing our routine work makes me extremely proud and privileged to be the CEO of this organisation.

I sincerely thank all staff for their committed contributions to the organisation and to the Board of Management for their interest in Public Health and ongoing support to the staff of EHA.



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**“Health is a human right,  
a vital resource for everyday  
life and a key factor of  
sustainability.”**



## Board of Management 2015

EHA is a body corporate, governed by a Board of Management comprising of two elected members from each Constituent Council. The Board met six times during the year to consider EHA's business. The table below details Board Member attendance.

**Table 2** Number of meetings attended by individual Board Members.

July 2014 – November 2014	Board Member	Meetings Attended
City of Norwood Payneham & St Peters	Cr S Whittington	2
	Cr G Knoblauch	2
City of Burnside	Cr P Cornish	1
	Cr A Monceaux	2
Campbelltown City Council	Cr J Kennedy	1
	Cr M Ryan	2
City of Prospect	Cr K Barnett	2
	Cr A Dixon	2
Corporation of the Town of Walkerville	Cr C Wigg	2
	Cr S Bernardi	0
November 2014 – June 2015	Board Member	Meetings Attended
City of Norwood Payneham & St Peters	Cr S Whittington	4
	Cr G Knoblauch	4
City of Burnside	Cr P Cornish	4
	Cr A Monceaux	4
Campbelltown City Council	Cr J Kennedy	3
	Cr M Ryan	3
City of Prospect	Cr K Barnett	3
	Cr T Evans	4
Corporation of the Town of Walkerville	Cr M Bishop	3
	Cr D Shetliffe	3

**Table 3** Number of times the Board of Management considered an item to be excluded from public discussion

During 2014-15, the Board considered one item where it was necessary to exclude the public from discussion. The table below identifies the grounds on which the Board made this determination.

<i>Local Government Act 1999</i>	Description	Number of Times Used
Section 90(3)(a)	Information relating to the personal affairs of a person	one

## Freedom of Information

Four requests for information under the Freedom of Information Act 1991 were received during 2014-15.

Three requests were reviewed and access to the requested documents within the scope of the applications were granted in full.

One request was received in June 2015 and at the time of this report it was being processed in accordance with the FOI Act.



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# Board of Management as at 30 June 2015

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## City of Norwood Payneham & St Peters



Cr Sue Whittington  
(Chairperson)



Cr Garry Knoblauch

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## Corporation of the Town of Walkerville



Cr Marylou Bishop



Cr David Shetliffe

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## City of Burnside



Cr Anne Monceaux  
(Deputy Chair)



Cr Peter Cornish

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## Prospect City Council



Cr Kristina Barnett



Cr Talis Evans

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## Campbelltown City Council



Cr Marijka Ryan



Cr John Kennedy

# Structure and Staffing

EHA comprises three functional areas – environmental health, immunisation and administration. The administration team, led by the Chief Executive Officer, supports the activities of the environmental health and immunisation teams. The Team Leader Environmental Health and Team Leader Administration and Immunisation have responsibilities for achieving the Annual Business Plan objectives relevant to their functional area.



**Table 4** Number of total employees and FTE as at 30 June 2015

Staffing as at 30 June 2015 comprised a total of 32 employees (18.4 FTE).

	Total Number of Employees	FTE
Administration	6	4.8
Immunisation	14	3.6
Environmental Health	11	9.0
<b>Total</b>	<b>31</b>	<b>17.4</b>



## Annual Business Plan

EHA develops an Annual Business Plan for the purpose of translating strategic directions into action and sets measures to assess its performance.

The core activities that have been undertaken to deliver on the objectives of the plan are detailed in this report.

## Charter Review

A review was undertaken and a revised Charter is currently being considered by the Constituent Councils.

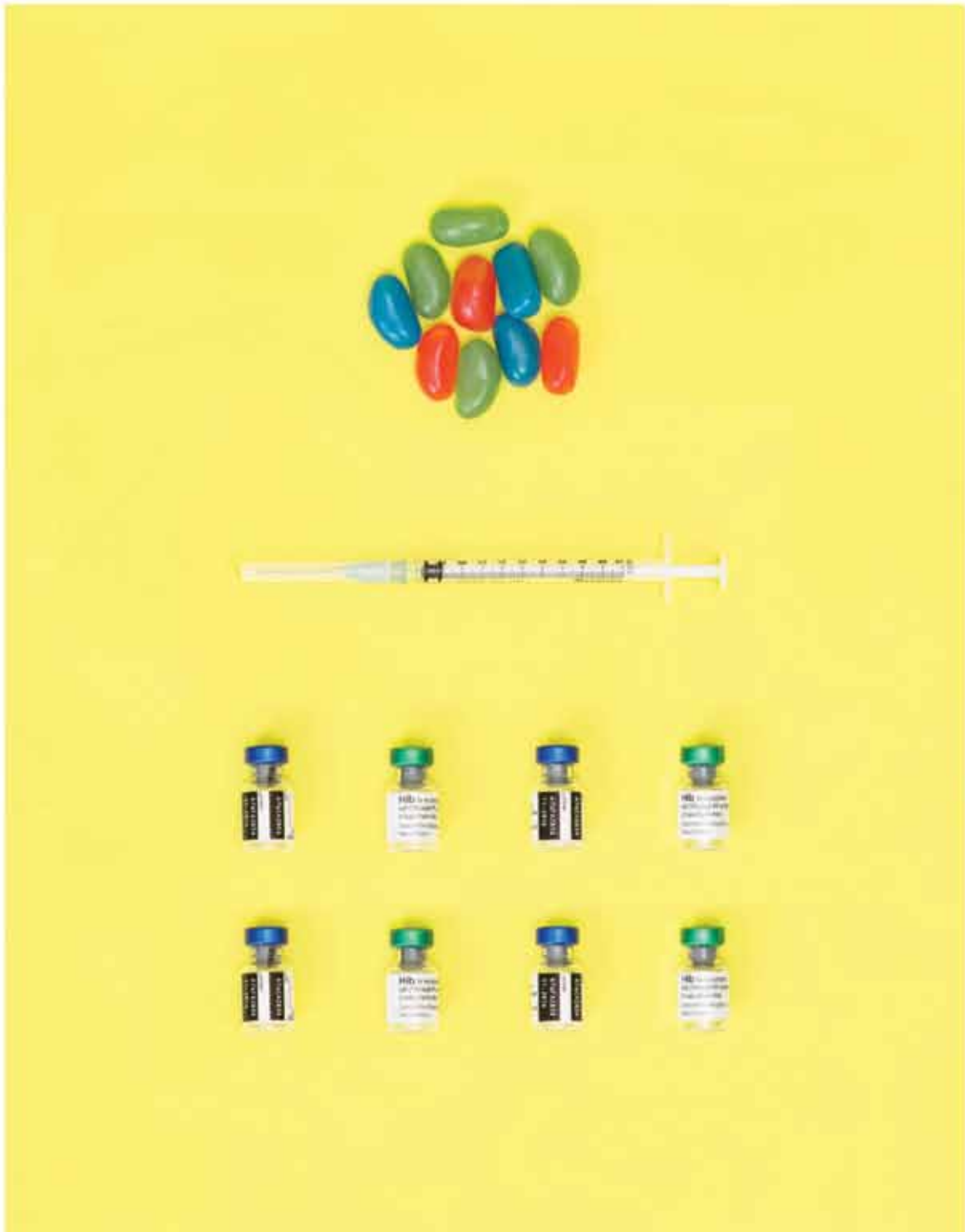
## Finance Audit Committee

Members of EHA's Audit Committee includes: Lisa Scinto, Presiding Member; Claudia Goldsmith, Independent Member; and Cr Tails Evans, Independent Member. The committee met on two occasions during the year. The Committee's work included reviewing the audited financial statements reviewing a draft long term financial plan and considering External Audit recommendations.

## Financial Statements

The Audited Financial Statements for the year ending 30 June 2015 are provided on page 40. They show an Operating Surplus of \$112,674.

# Immunisation



**Immunisation continues to be a safe and effective way to prevent the spread of many life threatening infectious diseases.**

**EHA plays an important role in the maintenance of appropriate immunisation rates in the community through the delivery of its Public Clinics, Schools and Workplace Immunisation programs.**

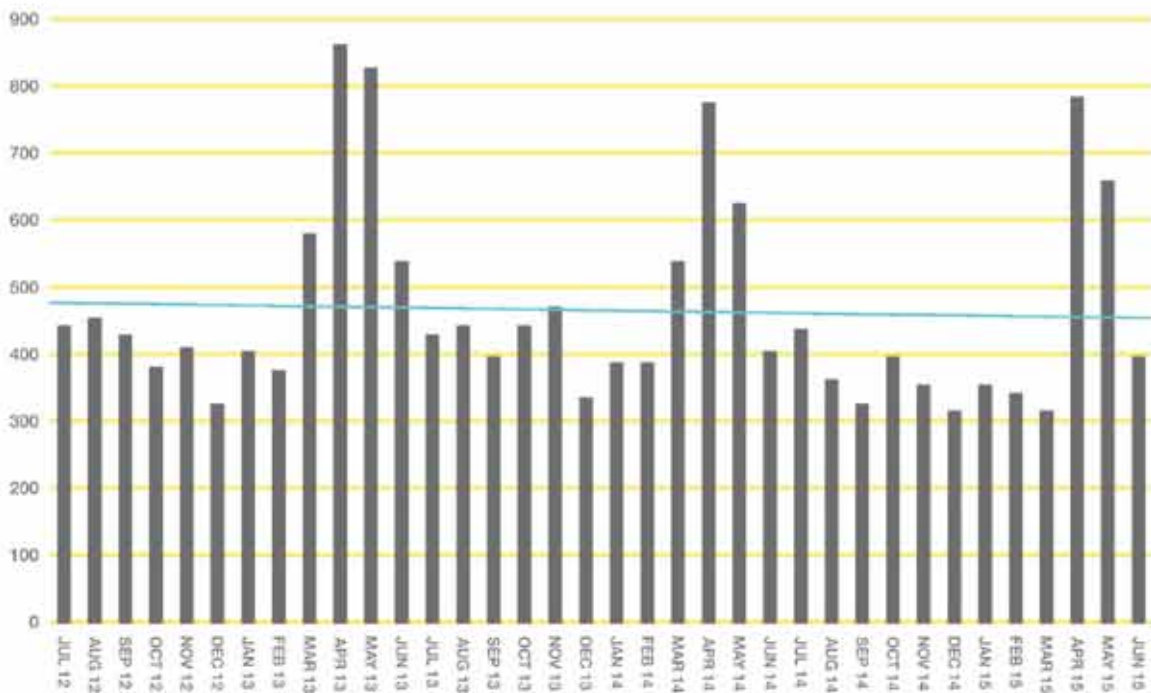
## Public Immunisation Clinics

EHA provides both appointment based and drop in public clinics to residents of its Constituent Councils and one client council. A range of clinic venues, days and times ensure convenient alternatives for our residents requiring immunisation.

A total of 5,105 clients were provided with 9,702 vaccinations. This was a decrease of 12% in comparison to 2013-14, with the main contributing factor being the delay in the delivery of the flu vaccine in March 2015.

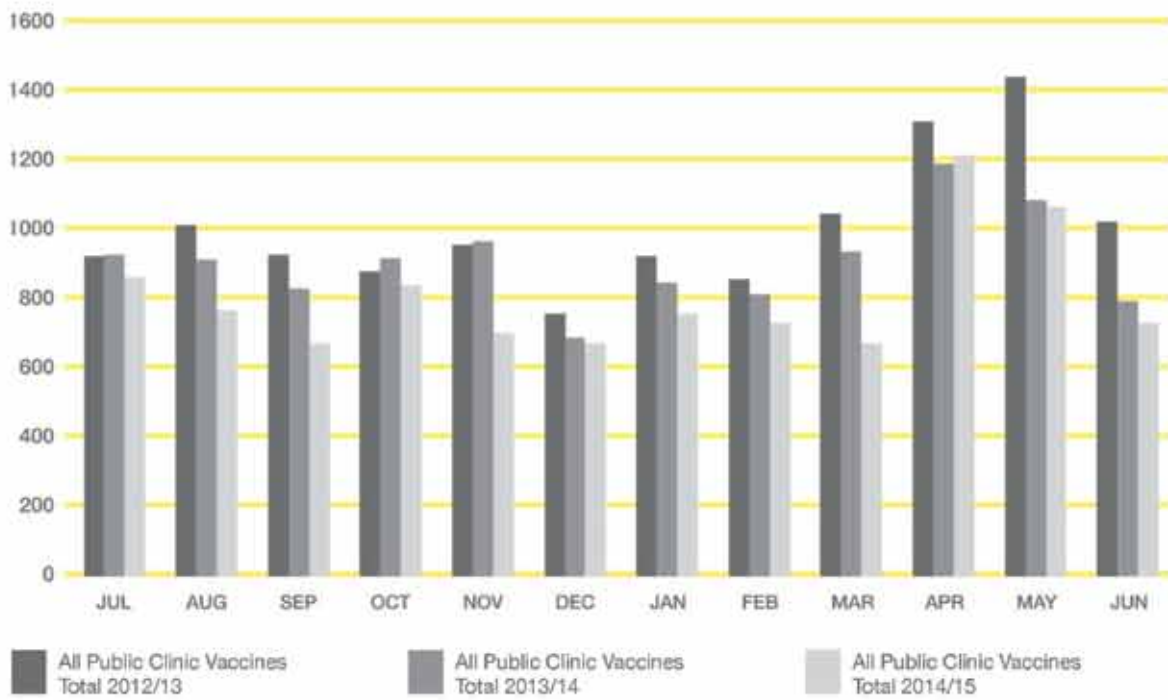
EHA provided catch-up vaccination program appointments to 101 newly-arrived families from overseas. Records of immunisation are assessed and compared with the recommended Australian Immunisation Program Schedule. As a result of these appointments 91 children commenced catch up programs within our public clinics.

**Graph 1** A three year linear trend representation of the client attendance at the immunisation clinics





**Graph 2** A three year comparison of the number of vaccines delivered at public clinics





**Table 5** Where our clients choose to be vaccinated

Where clients Come from (council area)	Number of Clients from council area	Where clients attended (clinic venue by %)						Total %
		Burnside	Campbelltown	NPSP	Prospect	Walkerville	Unley	
Burnside	1,058	30%	4%	52%	1%	2%	11%	100%
Campbelltown	1,196	5%	30%	59%	1%	2%	3%	100%
NPSP	1,387	4%	4%	87%	1%	2%	2%	100%
Prospect	276	3%	1%	50%	37%	7%	2%	100%
Walkerville	200	3%	1%	67%	2%	26%	1%	100%
Unley	743	8%	2%	24%	0%	2%	64%	100%
Other	245	8%	10%	37%	6%	4%	35%	100%
<b>Total Number of Clients</b>	<b>5,105</b>							

**Table 5 shows where our residents choose to be vaccinated. It demonstrates that many residents from each Constituent Council travel to other council clinics due to their suitability.**

**As an example 37% of Prospect residents chose to attend the clinic at Prospect while 50% attended the NPSP clinic and 7% attended the Walkerville clinic.**

In response to increasing incidents of *Pertussis* (whooping cough), the *Pertussis* vaccine was added to the National Immunisation Program Schedule in March 2015 for pregnant women in their third trimester.

Vaccination of pregnant women with the *Pertussis* vaccine (Boostrix or Adacel) has been shown to be effective in preventing *Pertussis* in newborn infants via the transfer of maternal antibodies in utero.

It is pleasing to note that although there has been an increase of 4,974 (46%) *Pertussis* cases in Australia compared to 2013-14, the increase in the Constituent Council areas has been much lower (8%).

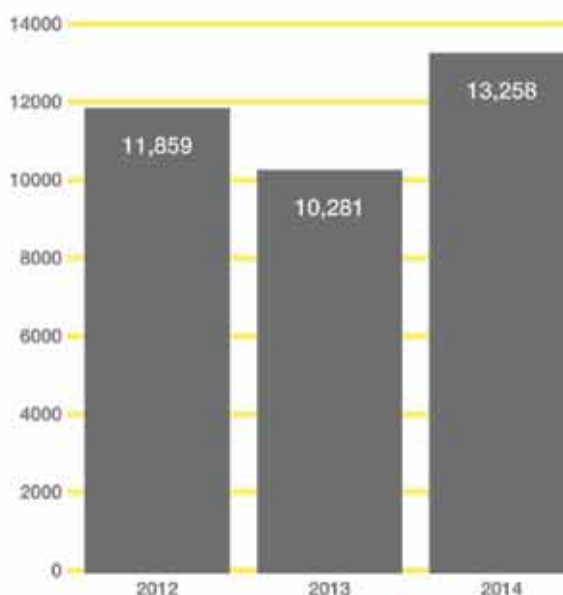
## School Based Immunisation Program (2014 Calendar year)

During the 2014 school based immunisation program (SBIP), 77 visits were made to 21 high schools where a total of 13,258 vaccines were administered to Year 8 and 9 students. This was an increase of 2,977 (29%) when compared to the previous year and was a result of a change in the National Immunisation Program for Year 8 students, expanding the HPV vaccine to include male students and the addition of the dTpa vaccine.

### The 2014 SBIP involved administering:

- three doses of Human Papillomavirus (HPV) vaccine to all Year 8 students
- one dose of Varicella (chicken pox) vaccine to all Year 8 students
- one dose of dTpa vaccine to all Year 9 students
- three doses of Human Papillomavirus (HPV) vaccine to Year 9 male students

**Graph 3** A three year comparison of total vaccines administered at schools within the Constituent Council areas\*



## Table 6 compares the vaccine types delivered for the SBIP in 2013 and 2014 for each Constituent Council area.

**Table 6** A two year comparison of vaccine types administered for the SBIP for 2013 & 2014\*

Council Area	Hep B 2013	VZV 2013	VZV 2014	HPV 2013	HPV 2014	dTpa 2013	dTpa 2014	Total 2013	Total 2014
Burnside	582	191	344	1,398	2,093	522	1,084	2,693	3,521
Campbelltown	714	234	328	1,309	2,096	441	925	2,698	3,349
NPSP	684	180	349	1,430	2,283	491	1,013	2,785	3,645
Prospect	208	90	118	418	778	148	281	864	1,177
Unley	254	49	147	482	197	163	361	948	705
Walkerville	62	20	36	158	702	53	123	293	861
<b>Total</b>	<b>2,504</b>	<b>764</b>	<b>1,322</b>	<b>5,195</b>	<b>8,149</b>	<b>1,818</b>	<b>3,787</b>	<b>10,281</b>	<b>13,258</b>

**Table 7** A three year comparison of the number of school visits\*

	2012	2013	2014
School Visits	61	79	77
Number of Schools	22	22	21

**Table 7** shows the number of school visits provided for the SBIP. The number of school visits fluctuates with changes in the National Immunisation Program.

\* Figures relating to Adelaide City Council have been removed for comparative purposes

## Worksite Immunisation Program

EHA is committed to providing a competitive and efficient service to enable workplaces to immunise their staff against the Seasonal Influenza Virus.

The late arrival of the Influenza vaccine in March 2015 due to issues with the manufacturing process affected all suppliers. This placed significant pressure on EHA staff to deliver the worksite program in a condensed time frame.

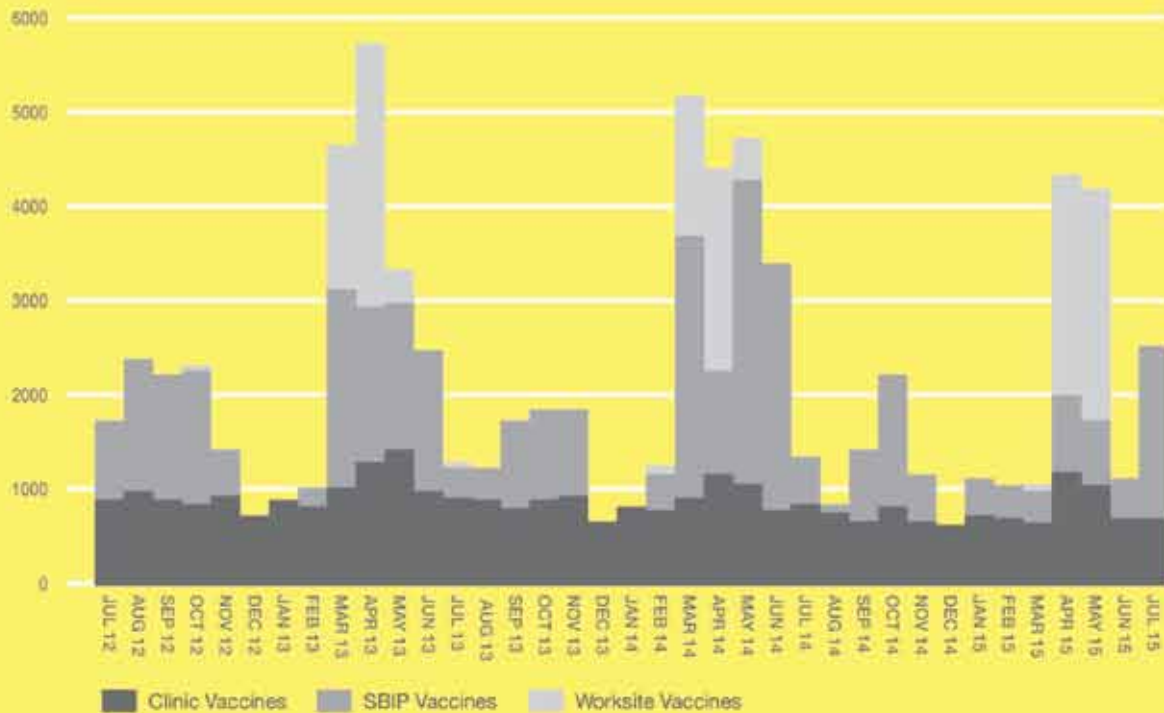
Between 31 March 2015 and 4 June 2015 a total of 98 worksite visits were delivered. The total number of vaccines administered increased by 762 (18%) to 4,900 compared with the previous year (Table 8).

There was an increased interest in dTpa vaccine by many workplaces providing care for infants as well as the increased uptake from staff of the influenza vaccine.

**Table 8** A three year comparison of the total number of vaccines administered at worksites

Vaccine type	2012-13	2013-14	2014-15
Influenza	4,679	4,019	4,775
Hepatitis A	0	15	2
Hepatitis B	34	1	3
Hepatitis A & B	23	74	42
dTpa	32	29	78
<b>Total</b>	<b>4,768</b>	<b>4,138</b>	<b>4,900</b>

**Graph 4** A three year comparison of the combined demand for all immunisation services



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# Public and Environmental Health



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# Introduction

**“The world is changing and public health issues are evolving as our societies diversify.”**

Environmental Health addresses all the physical, chemical, and biological factors external to a person, and all the related factors impacting behaviours. It encompasses the assessment and control of those environmental factors that can potentially affect health. It is targeted towards preventing disease and creating health-supportive environments. This definition excludes behaviour not related to environment, as well as behaviour related to the social and cultural environment, and genetics.’ – World Health Organisation (WHO), 2012:

The world is changing and public health issues are evolving as our societies diversify. *The South Australian Public Health Act 2011* aims to provide a modernised, flexible, legislative framework to respond to both traditional and contemporary public health issues.

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## Complaints and Referrals

EHA received 268 public health related complaints/referrals from the public or State Government agencies. As outlined in Table 9 the number received represents a small decrease (8%) when compared to 2013-14.

Decreases in animal keeping, air quality and hazardous substances complaints were noted. The number of complaints in these three categories this year is comparable to 2012-13 figures (Table 9).

The number of sanitation complaints received is comparable to the previous year (Table 9). A high proportion of these complaints (69%) related to excessive vegetation and accumulation of materials and did not constitute ‘harm to health’ under the *SA Public Health Act, 2011*.

In five hoarding and five severe domestic squalor matters investigated by Officers, a breach of the General Duty under the *SA Public Health Act, 2011* was determined.

These cases were all managed using the Foot in the Door – Stepping towards solutions to resolve incidents of severe domestic squalor in South Australia (A Guideline). The application of the Guidelines allowed for a multi-disciplinary approach to be taken by EHA and other Government and non-Government agencies to resolve where possible the issue of squalor and hoarding.

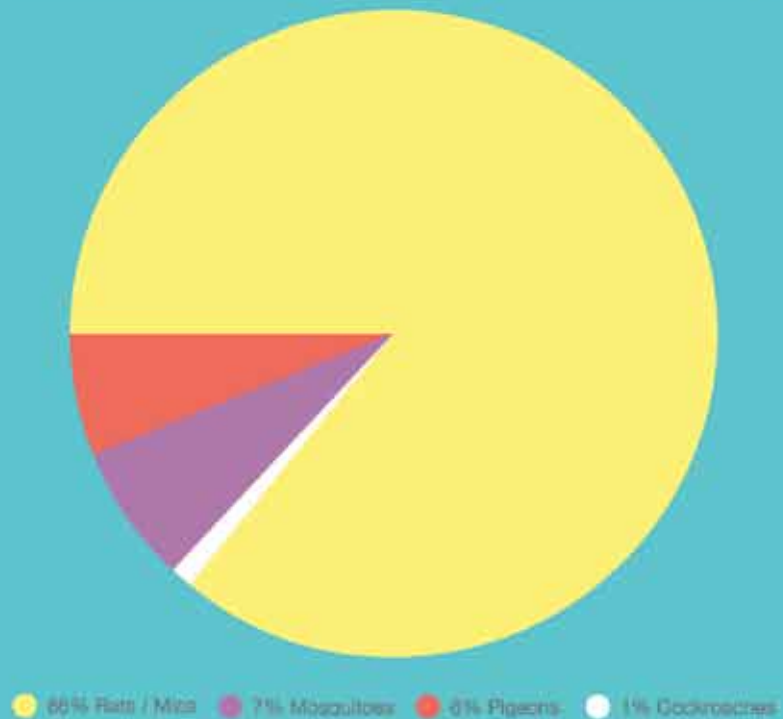
Two *SA Public Health Act 2011* Notices to secure compliance with the General Duty, Section 32(1)(a) of the *SA Public Health Act 2011*, involving a serious state of severe domestic squalor were issued. With the assistance from Government and non-Government agencies, there was voluntary action to remedy the squalid conditions.

EHA continues to lead the Eastern Hoarding and Squalor Group (the Group). The Group continued into its third successful year and met four times. The purpose of the Group is to provide a collaborative forum for Environmental Health Officers (EHOs) representing nine Eastern Metropolitan Councils and representatives from Government and non-Government agencies to discuss squalor and hoarding and services and resources available to resolve these issues. A total of 104 vector control complaints were received which was comparable to the previous two years (Table 9). As represented in Graph 5, 86% related to rodent activity. Overgrown vegetation, accumulated refuse or poor poultry keeping were the common reasons residents complained about rodent activity.

**Graph 5** A graph illustrating the proportion of the types of vector control complaints received

Where EHOs do not have substantial evidence to identify the primary source of harbourage, information is issued to neighbouring homes. Letters have been effective in notifying neighbouring residents of potential issues.

Seven complaints involving mosquitoes were received during the year. It was necessary to issue a preliminary Notice to Secure Compliance with the General Duty where inadequate measures were taken by the property owner to prevent the breeding of mosquitoes.



**Table 9** A three year comparison of the type of public health complaints received

	2012-13	2013-14	2014-15
Animal Keeping	11	17	12
Notifiable Disease	29	29	32
Sanitation	45	73	71
Vector Control	97	105	104
Waste Control	0	0	0
Air Quality	13	30	20
Water Quality	17	16	23
Hazardous Substances	2	12	6
Other	6	8	1
<b>Total</b>	<b>220</b>	<b>292</b>	<b>269</b>

**Table 10** A three year comparison of the types of hazardous waste complaints received

Type of Complaints	2012-13	2013-14	2014-15
Asbestos	0	6	2
Clandestine Laboratory	1	4	2
Collection of Syringes	1	2	2

There were six hazardous waste complaints involving the investigation of two asbestos issues, two clandestine drug laboratories and the collection of syringes at two properties (Table 10). One complaint involved a Category A Clandestine Drug Laboratory operating at a premises which was under construction to become a food business. The improved powers and

tools under the SA *Public Health Act, 2011*, enabled EHOs to issue an immediate verbal emergency Notice preventing entry to the premises. This verbal Notice was followed by a confirmation of the emergency Notice specifying the requirements to ensure the premises were no longer a risk to public health which included decontamination and testing.

**Table 11** A three year comparison of the number of reported notifiable diseases

The SA *Public Health Act 2011* prescribes a list of diseases that are notifiable to SA Health Communicable Disease Control Branch (CDCB) (Table 11). Notification of these diseases allow for surveillance and investigation to be undertaken to protect the community from the risk of infectious disease.

	2012-13	2013-14	2014-15
<i>Campylobacter</i>	199	188	154
<i>Salmonella</i>	70	110	144
<i>Legionellosis</i>	3	4	0
<i>Cryptosporidiosis</i>	8	27	13
Hepatitis A	0	0	0
Rotovirus	36	27	31
Pertussis	52	38	41

**“There has been a considerable increase of *Salmonella* over the last two years. This is consistent with a state wide increase in cases.”**

*Salmonella* and *Campylobacter* continue to remain the most frequently reported food borne diseases. There has been a considerable increase in confirmed cases of *Salmonella* over the last two years. This is consistent with a statewide increase in cases.

EHA's EHOs pay particular attention to the safe handling of raw eggs during Food Safety Assessments. Despite these efforts, 35 cases of *Salmonella* linked to six food businesses required investigation. It appears that the majority of outbreaks were a result of the consumption of contaminated raw egg contained in uncooked or lightly cooked foods. Storage of food containing raw eggs at inappropriate temperatures which permits the growth of *Salmonella* may have been a contributing factor together with cross-contamination during food preparation (i.e. transfer of *Salmonella* from the surface of the egg to other surfaces and/or foods).

Two people who contracted the *Cryptosporidiosis* infection swam in public swimming pools within EHA's Constituent Councils whilst infected. CDCB requested a 'precautionary' investigation of these pools be undertaken. Both public pool sites involved were connected to an Ultra Violet (UV) system. The investigation revealed that the UV system at one pool site was disconnected for a short period of time due to maintenance. It was during this period the confirmed case swam in the pool. A precautionary decontamination was consequently undertaken. The pool was reopened for public use following the confirmation that levels of chlorination were within the parameters set by the SA *Public Health (General) Regulations 2013*. No further confirmed cases were received and no further action was required.

# Monitoring and Surveillance

## Cooling Towers and Warm Water Systems

A total of 51 high-risk manufactured water systems (HRMWS) were registered at 25 sites within EHA. This number of systems and sites has steadily decreased over a three year period (Table 12). The decrease can be attributed to the conversion of warm water systems to hot water systems, which minimises the risk of *Legionella* and are no longer classified as a HRMWS under the new SA Public Health (*Legionella*) Regulations 2013.

A total of 23 cooling towers and 41 warm water systems were inspected (Table 12). Ten follow-up inspections were required at six cooling towers and two warm water sites due to inadequate staff training and missing documentation.

Samples taken from routine water testing resulted in 13 high counts of *Legionella*, representing a 46% and 72% decrease when compared to 2013-14 and 2012-13 respectively (Table 12).

At one site the continuous dosing of the water supply with a low level of chlorine was introduced in 2013. This site, which was previously responsible

for a large number of high counts was primarily responsible for the decrease in high counts. The last reported high count received was in September 2014, suggesting the dosing at supply has been successful in limiting the growth of *Legionella*.

In response to high count notifications, the responsible persons were contacted and immediate action was taken to shut down and decontaminate the systems. Retesting was carried out to ensure decontamination was successful.

There were no *Legionella* disease notifications received from CDCB.

Three Compliance Notices under the SA Public Health Act 2011 were issued to two cooling tower sites for failing to comply with the SA Public Health (*Legionella*) Regulations 2013. Non-compliance issues were related to inadequate system plans and procedures, access to cooling towers and biocide failing to circulate throughout the system within specified timeframes.

**Table 12** A three year comparison of the number or registered high risk manufactured water systems and the number of routine and follow-up inspections undertaken and *Legionella* high count test results

\*Decrease in number of HRMWS inspections due to significant number of cooling towers de-registered during 2012-13.

	2012-13	2013-14	2014-15
Number of Sites	49	31	25
Total number HRMWS registered*	81	61	51
Number of system inspections	64	57	64
Number of follow-ups	4	1	8
High count test results	47	24	13
Compliance notices	0	2	3
<i>Legionella</i> disease notifications from CDCB	5	4	0



## Public Swimming Pools and Spas

A review of the inspection frequency of public swimming facilities was undertaken during the year due to limited officer availability. It was determined that outdoor pools would be inspected annually unless there was a history of non-compliance in which case they would be inspected two times per year. Indoor swimming pools and spas continue to be inspected twice a year. The decision was based on outdoor swimming pools being open to the public for a shorter period of time (late spring and summer) in comparison to indoor spas and pools available for use throughout the year.

All swimming, spa and hydrotherapy pools located at 32 sites (Table 13) were assessed against the standards prescribed in the SA *Public Health (General) Regulations 2013*. A total of 10 sites required follow-up inspections, with three sites requiring three or more follow-up inspections.

Three complaints involving two pool sites were received regarding unclean change rooms and showers and a bather experiencing skin irritation after swimming in a pool (Table 13). All complaints were investigated and the standard of cleanliness and the disinfection levels were satisfactory.

Compliance Notices under the SA *Public Health Act 2011* were issued to three sites for failing to comply with the Regulations. Non-compliance issues related to failing or malfunctioning auto-dosing equipment, insufficient record keeping and inadequate disinfection levels.

**Table 13** A three year comparison of the number of routine and follow-up inspections conducted at spas, swimming, and hydrotherapy pools, and the number of *Cryptosporidiosis* notifications received

	2012-13	2013-14	2014-15
Number of Sites	29	29	30
Number of Pools/Spas	42	42	43
Inspections Number of Pools/Spas	44 (29 sites)	58 (29 sites)	71 (32 sites)
Follow-ups of Pools/Spas	10 (7 sites)	16 (8 sites)	20 (10 sites)
Complaints	4	1	6
<i>Cryptosporidiosis</i> notifications	1	0	3

Following a routine inspection a Compliance Notice was issued to an indoor pool/spa site for failing to comply with the SA *Public Health (General) Regulations 2013*. The malfunctioning of the electronic analysing and dosing equipment resulted in high pH and combined chlorine levels. The pool and spa was closed for a period of 10 days requiring three consecutive follow-up inspections to ensure compliance. During this time Officers identified that cyanuric acid was added to the indoor pool which is prohibited under the SA *Public Health (General) Regulations 2013*. Advice and recommendations were sought from SA Health to account for this error. Officers requested the pool operators undergo training to improve their skills and knowledge and maintain pool records and detail corrective actions.

## Waste Control Systems

EHA assessed two new waste control system applications involving grey water and a septic system with sub surface effluent disposal against the SA *Public Health Act (Wastewater) Regulations 2013*.

One application related to the installation of a permanent grey water system. The application was referred to SA Health, Office of Technical Register and the Constituent Council for review and comment. A review of the soil report and site plan was conducted and the application was approved, subject to conditions outlined in the approval notice.

No complaints were received during the reporting period.



## Personal Grooming, Body Art and Health Care

There are no formal requirements for business operators to notify Local Government that they are conducting an activity that is regulated under the SA *Public Health (General) Regulations 2013*. The absence of a formal notification process hinders the ability for councils to maintain an accurate register of the number of personal care and body art (PCBA) premises. During the year a review of the PCBA register was conducted. This involved manually checking EHA's PCBA register with the telephone directory. This method is resource intensive and difficult to keep up to date. As shown in Table 14 there was an increase in the number of acupuncturists, tattooists and beauty premises following the review of the PCBA register.

**“there was an increase in the number of acupuncturists, tattooists and beauty premises following the review of the PCBA register.”**

**Table 14 A** comparison of the number of PCBA premises prior and after the review

	Acupuncture	Tattooist	Beauty
Previous PCBA register	11	4	85
Current PCBA register	20	7	109

**“Tattooists’ procedural knowledge and standard of cleanliness was consistently satisfactory.”**

All acupuncturists and tattooists, including premises recently identified were inspected during the year. The level of compliance with the Regulations was of a high standard amongst all acupuncturists. However, Officers identified many acupuncturists were unclear of their immunisation status for Hepatitis B. Educational material was distributed and recommendations were made for staff to check their immunisation status and if required obtain a booster vaccination.

Tattooists’ procedural knowledge and standard of cleanliness was consistently satisfactory. During this year’s routine inspections it was found that all but two tattoo premises use single-use equipment to minimise the spread of infection. Two tattoo

premises continue to use re-usable equipment. Both of these premises required calibration records of the autoclave to ensure re-usable skin penetration equipment is effectively sterilised.

A total of five complaints were received regarding inappropriate hygiene practices and a poor standard of cleanliness at four beauty premises. Three of these premises required further follow-up inspections. Education and information on best practice and reference to the Guidelines on the Safe and Hygienic Practice of Skin Penetration were provided. One complaint was received alleging a tattooist was inappropriately disposing waste materials into a kerbside council bin.





# Food Safety Inspections, Complaints, Audits and Enforcement

EHA administers the *Food Act 2001* in conjunction with the Food Safety Standards to protect the public from food borne illness and associated risks. Illnesses caused by the sale and consumption of unsafe food are preventable through education, regulation and intervention from EHOs during regular inspections and audits. Consumers have the right to expect the food they eat is protected from microbiological contamination, free from foreign matter and is not subjected to poor food handling practices. As a regulator of food hygiene and safety, EHA is committed to ensuring that proper food safety standards are applied through appropriate surveillance and enforcement.

## Food Safety Inspections

As at 30 June 2015, a total of 1,240 known food premises were operating within EHA's jurisdiction, which is a small increase (32) when compared to the previous year. Takeaways, cafes, and restaurants continue to be the predominant types of food businesses.

Although there was a small increase in the number of food businesses, the food business register required continual updating due to new notifications and closures. During the year, 83 businesses closed and 187 food business notifications, advising of a new food business or change of ownership, were lodged with EHA.

The commencement of the South Australian Food Business Risk Classification (FBRC) profiling framework (the Framework) took effect from 1 July 2014. The Framework is designed to provide a tool to classify business types on the basis of food safety risk. The Framework reflects the risks inherent to the product/process, risk controls, as well as association of the risk with past food borne illness outbreak information.

The Framework allows classification of food businesses or industry sectors into one of four priority risk categories. These range from the highest risk priority P1, through to the lowest risk priority P4.

A minimum and maximum inspection frequency range is applied to each risk classification. The frequency range allows for inspections to either be increased or decreased depending on whether compliance is satisfactory during the inspection.

Food businesses classified as P4 are considered 'low risk' as the types of food handled are unlikely to contain pathogenic organisms and does not undergo any further processing. The majority of these foods are shelf stable and pre-packaged. These businesses are inspected upon notification to determine whether there has been a change in activity or a complaint has been received.

As shown in Table 15, the majority of food businesses are risk classified as P1, with takeaways and restaurants being the main types of businesses within this classification.

**Table 15** Number of food businesses, food inspections and follow-up inspections as per risk classification

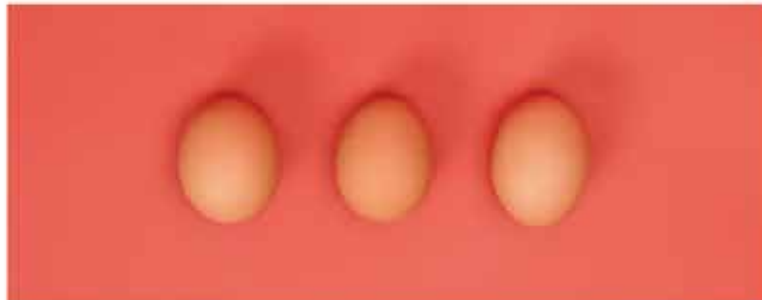
	P1	P2	P3	P4	Total
<b>Number of food businesses</b>	633	355	60	192	1,240
<b>Routine inspections</b>	535	279	26	0	840
<b>Follow-up inspections</b>	371	103	5	1	480

**Table 16** The percentage of businesses routinely inspected as per their risk classification

With the exclusion of P4 businesses, a total of 1,048 food premises are required to be inspected. A total of 1,435 inspections were undertaken, of which 840 were routine inspections and 480 were follow-up inspections (Table 17).

As represented in Table 16, high risk P1 businesses accounted for the largest proportion of routine inspections undertaken.

	P1	P2	P3
Estimated number of businesses routinely inspected	535	279	26
Estimated % of businesses routinely inspected	85	79	43



**Table 17** A three year comparison of the number of routine, follow-up and fit-out inspections undertaken and complaints received

EHA's food safety enforcement philosophy is to conduct thorough routine inspections and follow-up inspections to ensure non-compliances are rectified and appropriate food safety standards are maintained. Routine and follow-up inspections are opportunities for EHOs to provide advice and information to food businesses, to ensure food safety practices are implemented daily and permanently.

There was a 14% decrease in the number of follow-up inspections conducted when compared to the previous year (Table 17). This reduction is pleasing to note and believed to be associated with previous work to improve standards in food businesses.

Type of Inspection	2012-13	2013-14	2014-15
Routine	675	780	840
Follow-up	428	555	480
Complaint	83	82	98
Pre-opening/Fit-out	21	9	17
<b>Total</b>	<b>1,207</b>	<b>1,426</b>	<b>1,435</b>



**Table 18** the percentage of businesses requiring a follow-up inspection as per their risk classification

The number of businesses requiring a follow-up inspection has a direct correlation with the inherent risk of the particular premise as represented in Table 18.

	P1	P2	P3
Estimated number of businesses requiring follow-ups	371	103	5
Estimated % of businesses requiring follow-ups	57	29	8

# Enforcement

Despite the educative approach and opportunity for food businesses to improve their knowledge and onsite practice, repeated non-compliance continues and further legal action is required in some instances. Legal action may take the form of written warnings, Improvement Notices, Prohibition Orders, Expiations or Prosecutions.

EHA's enforcement policy allows for a graduated and proportionate response to be applied to either re-occurring or very serious food safety breaches. Graph 6 demonstrates the graduated response to enforcement.

The vast majority of businesses requiring legal action were P1 (high risk businesses). Table 19 details the number of businesses requiring a form of legal action according to their risk category.

**Table 19** Legal action taken as per risk classification

	P1	P2	P3
Warning Letter	18	1	0
Improvement Notices	81	14	1
Offences Expiated	39	0	0
Prohibition Orders	2	1	0

## Graph 6 A graph illustrating the graduated response to enforcement under the Food Act 2001



As shown in Table 20, there was a significant decrease in the total number of Improvement Notices issued. The percentage of inspections resulting in an Improvement Notice halved from 12% to 6% when compared to 2013-14.

Improvement Notices still accounted for the majority of enforcement action taken with a total of 96 Improvement Notices issued to 69 food businesses (Table 20).

**Table 20** A three year comparison of the percentage number of Improvement Notices issued based on the number of routine inspections

	2012-13	2013-14	2014-15
Routine inspections	675	780	840
Total number of Improvement Notices issued	61	138	96
Number of businesses issued with Improvement Notices	47	94	69
% of businesses requiring Improvement Notices	7%	12%	6%

Improvement Notices are used as a tool to improve compliance. However 18 food businesses have received at least one notice in each of the past three years. Seven of these were issued an Expiation Notice due to the continual history of non-compliance.

A total of 18 Expiation Notices accounting for 39 offences were issued (Table 21). This represents a 26% decrease in the number of expiation offences issued when compared to the previous year. It should be noted that only 2.1% of routine inspections resulted in Expiation Notices being issued (Table 22).

Table 23 provides a comparison of the number of offences expiated for breaches of the *Food Act 2001* over the past three years. It demonstrates that a poor standard of cleanliness continues to be the most common expiable offence.

**Table 21** A three year comparison of the number of Expiation Notices issued, total number of expiable offences and expiable income received

	2012-13	2013-14	2014-15
Total number of Expiation Notices issued	25	27	18
Total number of Expiable Offences	37	53	39
Total amount	\$74,050	\$101,000	\$80,000

**Table 22** A three year comparison of the percentage of Expiation Notices issued per routine inspection

	2012-13	2013-14	2014-15
Routine inspections	675	780	840
Number of businesses issued with Expiation Notices	20	27	18
Expiation Notices as % of inspections	2.9%	3.5%	2.1%

**Table 23** A three year comparison of the types of expiation offences issued for breaches under the *Food Act 2001*

Offence Type	2012-13	2013-14	2014-15
Food past its use by date	1	3	3
Skills and knowledge	1	0	0
Food storage	4	10	6
Food processing	0	3	1
Food display	1	1	1
Health and hygiene of food handlers	2	4	4
General duties of food business	1	0	0
Cleanliness	20	23	19
Cleaning and sanitising	1	1	0
Maintenance	1	0	1
Animals and pests	1	1	2
Storage of garbage	1	0	0
Failure to comply with an Improvement Notice	3	6	2
<b>Total</b>	<b>37</b>	<b>52</b>	<b>39</b>



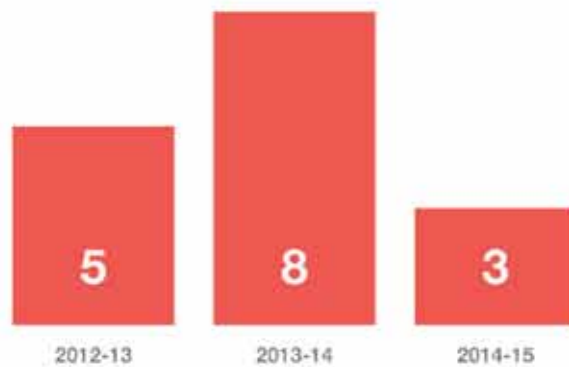


The requirement to issue Prohibition Orders to food businesses decreased when compared to the previous two years (Graph 7). Prohibition Orders were served to two restaurants for serious offences relating to significant vermin and cockroach activity, and a food vehicle for poor structural suitability. Alterations to the vehicle have not been made and the Prohibition Order remains.

Notifications of 17 cases of confirmed *Salmonella typhimurium* phage type 44 were received from CDCB implicating a food premise in EHA's jurisdiction. Nine of these cases consumed eggs at the premise in question. During the investigation Officers observed a serious infestation of cockroaches, a poor standard of cleanliness, unsafe storage of food, unsafe food handling practices and inadequate supply of soap to the hand washing facility. A Prohibition Order under s46 (1) of the *Food Act 2001* was served. The Prohibition Order directed the owner to engage a pest controller, improve the standard of cleanliness, ensure food is safely stored and handled and ensure soap is provided to the hand washing facility.

The food business was closed for an extended period until a Certificate of Clearance was issued. A structural Improvement Notice and an Expiation Notice accounting for three offences under s21(1) of the *Food Act 2001* was issued to the proprietors of the business. While the statistical probability based on epidemiological analysis was extremely high, the investigation into the outbreak could not definitively confirm the source of contamination.

**Graph 7** A three year comparison of the number of Prohibition Orders issued



# Audits

Food businesses serving food to vulnerable populations, including hospitals, aged care facilities, child care centres and delivered meal organisations are captured under Food Safety Standard 3.3.1. This Standard requires food businesses to comply with Food Safety Standard 3.2.1, requiring the implementation of a documented and audited food safety program (FSP).

As shown in Table 24, a total of 53 scheduled food safety audits and 10 follow-up audits were conducted within EHA's jurisdiction during the year. A total of 30 audits were conducted outside of EHA's council areas by request.

**Table 24** A three year comparison of the number of audits and follow-up audits conducted in our Constituent Councils and other council areas

	2012-13		2013-14		2014-15	
	EHA	Other Council Areas	EHA	Other Council Areas	EHA	Other Council Areas
No. of audits	48	20	52	42	53	30
No. of follow-up audits	15	3	8	2	10	7

# Complaints

As shown in Table 25, EHA received a total of 112 food complaints, with 31% of these complaints proven to be justified. These figures are comparable with the previous two years. The small percentage of justified complaints may be attributed to the limited evidence provided by the complainant, varied potential sources of alleged food poisoning and the difficulty of observing poor food handling practices due to officer presence.

Alleged food poisoning accounted for a significant portion (28%) of food complaints, which is consistent with the previous two years (Table 26).

Six complaints relating to potential chemical contamination of food were received compared to none received in the previous two years (Table 26). Following investigations, one complaint identified that following the application of a food grade sanitiser, the food

handlers failed to rinse the food contact surfaces, despite the manufacturer's instructions. Whilst the incorrect application of the food grade sanitiser could not definitively be related to the complaint, the approved process was required to prevent the potential contamination of food.

**Table 25** A three year comparison of the number of food complaints received

	2012-13	2013-14	2014-15
Number of food complaints	117	117	112
Number of food complaints justified	38	35	31
% of justified complaints	32%	30%	28%

**Table 26** A three comparison of the number of food complaints received

Type of complaints received	Total number of complaints received 2012-13	Total number of complaints received 2013-14	Total number of complaints received 2014-15	Number of complaints justified/confirmed 2014-15
Food unsuitable/unsafe due to foreign matter	16	13	15	5
Food unsuitable/unsafe due to microbial contamination/growth	14	21	13	3
Food unsuitable/unsafe due to presence of unapproved or excessive chemical residues	0	0	6	1
Alleged food poisoning	30	34	27	1
Confirmed food poisoning	6	6	4	2
Unclean premises	7	7	6	1
Poor personal hygiene or poor food handling practices	12	13	10	4
Vermin/insects/pests observed in premises	8	3	5	4
Refuse storage	14	13	19	6
Labelling issues	2	1	1	0
Other	8	6	6	4
<b>Total</b>	<b>117</b>	<b>117</b>	<b>112</b>	<b>31</b>

## Education and Promotion

### Food Safety Week

Food Safety Week 2014 was held from 9 to 16 November 2014. The theme was "Temperature Danger Zone" with a focus on keeping hot food hot and cold food cold.

SA Health offered a range of free promotional material to EHA. In supporting the week, EHA visited local primary schools and discussed lunch box safety with children.

The Food Safety Week initiative was well received by both staff and children. Many of them were unaware of risks involved in leaving potentially hazardous food in lunch boxes for long periods of time.

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# Health Care and Community Services



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# SRF - Introduction

Supported Residential Facilities (SRFs) are privately owned facilities providing personal care services and support a home-like environment for people in the community. The residents of a SRF are often aged, physically and/or intellectually disabled, have mental health illness, substance abuse related illnesses and people in need of support with daily living. A low level of care is provided to residents, such as assistance with medication management, personal hygiene, consuming food, and financial management, as well as supplying meals and accommodation. SRFs are regulated and licensed under the *Supported Residential Facilities Act 1992 (the Act)* to ensure adequate standards of care are

provided to residents and all residents' rights are protected. EHA applies the objective and principles of the Act to ensure residents receive reasonable levels of nutrition, comfort and shelter in a home-like environment, are treated with dignity and respect and receive high quality care in a safe environment.

The Minister for Communities and Social Inclusion is responsible for promoting the objectives of the Act, and local councils administer and enforce the Act. EHA is the licensing authority for all SRFs within the five Constituent Councils, and continues to act as the licensing authority for SRFs within the City of Unley, under delegated authority.

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## Licensing & Monitoring

Unannounced SRF audits were conducted quarterly at each facility. EHOs conducted 39 unannounced routine audits during the reporting period. Nine follow-up visits were conducted as a result of the non-conformances identified.

The criteria assessed to determine compliance with the *Supported Residential Facilities Act 1992*, the *Supported Residential Facilities Regulations 2009* and the *Supported Residential Facilities Guidelines and Standards 2011*, included the following:

- adequacy of documentation and suitability of service plans
- level of staffing and appropriate qualifications
- nutritional quality and variety of the food provided to the residents
- solvency of the business

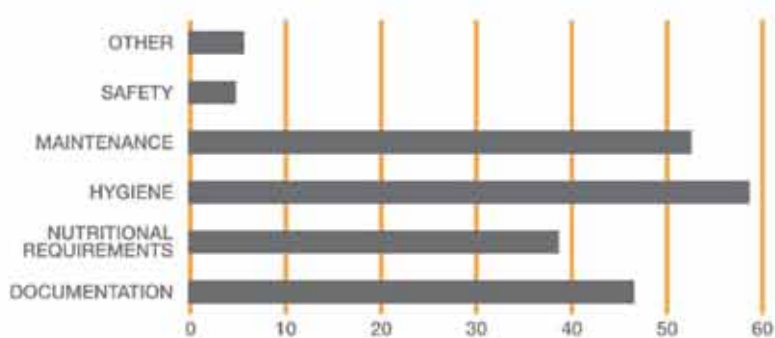
- public liability insurance
- structural condition of the premises
- financial management
- general amenity and cleanliness of the facility
- medication management
- privacy, dignity and respect of residents
- the visitors' book

Furthermore, the Building Fire Safety Committee of each Constituent Council was consulted to ensure that any identified fire safety issues were addressed. Non-conformances identified were followed-up by the Committee as required.

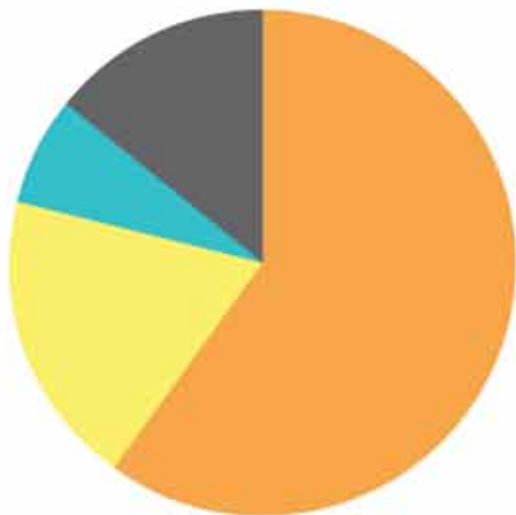
The common non-conformances identified this year related to the maintenance of the facility, hygiene,

documentation and nutritional requirements of menus, as shown in Graph 8. Graphs 9 and 10 demonstrate that the majority of hygiene and maintenance issues were identified within the residents' bedrooms. This common non-conformance is partly attributed to residents' personal choices. Officers communicated these issues to managers and proprietors. Staff and management actively encouraged and supported lifestyle changes with particular residents regarding hygiene, cleaning, ventilation and opening windows and curtains to allow natural light in bedrooms. During follow up visits, some residents showed positive improvement with regard to the condition of their bedrooms and personal hygiene. The unannounced and multiple audits conducted during the year provided EHOs with a perspective of the condition of bedrooms and how residents live on a day to day basis.

**Graph 8** Common non-conformances related to the maintenance of the facility, hygiene, documentation and nutritional requirements of menus

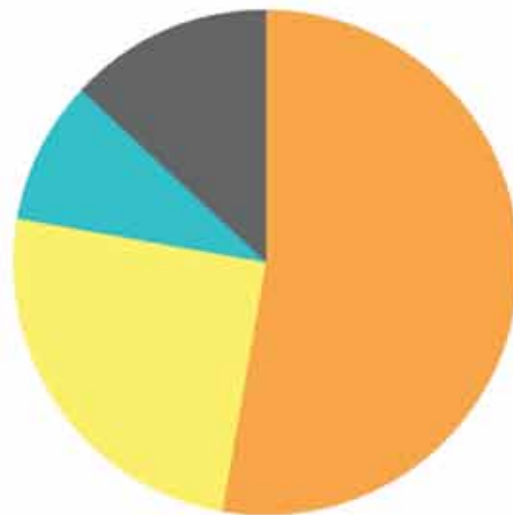


**Graph 9** Hygiene issues identified during the audits



60% Bedrooms  
19% Bathrooms  
14% Communal Areas  
7% Laundry

**Graph 10** Maintenance Issues identified during the audits



53% Bedrooms  
25% Bathrooms  
13% Communal Areas  
9% Laundry

Following the final quarterly audits at each facility, any outstanding non-conformances were imposed as conditions to the facilities' licences. Four facilities were issued licences for one year with no conditions. Four facilities were issued licences for one year with conditions. One facility was issued a five month licence with conditions, due to ongoing and reoccurring non-conformance and concerns. One facility was issued with a licence with conditions from 17 June 2015 to 30 June 2016. The proprietors of the latter facility requested that the licence be renewed prior to 30 June 2015, due to the expansion of the facility. These proprietors purchased the neighbouring property to accommodate a further eight residents. The application was reviewed and the licence was granted by the Chief Executive Officer under delegated Authority.

Two dual-licensed facilities were re-licensed this year for the number of residents receiving personal care services. Historically, these dual-licensed facilities were licensed for the total number of available residents rather than the number of residents receiving personal care services. This change in licensing allows EHOs to audit the rooms and documentation of residents who are recognised under the *Supported Residential Facilities Act 1992*. The independent residents under the retirement village model, who do not receive services defined under the Act, will no longer require an inspection of their apartments.

There are two facilities that are no longer operating as SRFs under the legislation. One premises changed ownership during the year and changed their business model to no longer offer personal care services to residents. All services are now provided externally; and the facility is no longer an SRF as defined under the Act.

The second facility was under investigation by EHA for some time due to ongoing non-conformances. This facility was granted a four month licence with conditions. The facility was subject to on-going monitoring, with a specific focus on staffing, nutrition, records management, medication and financial management. Prior to the licence expiring in November 2014, EHA liaised with the Department of Communities and Social Inclusion (DCSI), due to the seriousness of the issues and the ongoing decline in services provided to residents. DCSI, with the approval of the proprietor, entered and managed the facility with the assistance of the existing manager. DCSI assisted in the relocation of all residents to alternative suitable accommodation. The licence expired and was not renewed.

## Approval of Manager and Acting Manager

Four Acting Manager applications and one Manager application were received during the year.

## Complaints and Queries/Legal Action

As shown in Table 27, there has been an increase this year in the number of complaints received compared to previous years. The complaints received were in relation to the nutritional value of food and the quality of care provided to residents.

One complaint was received from the DCSI regarding a staff member not providing privacy, dignity and respect

to a resident. EHOs investigated the complaint and conducted interviews with the proprietors of the facility, the alleged offender, the complainant, the resident and a witness to the incident. Following the investigation, the identified breaches in the SRF legislation were communicated to the proprietors.

**Table 27** A three year comparison of the number SRF complaints received within EHA's Constituent Councils and within the City of Unley

	2012 - 13	2013 - 14	2014-15
	9	5	13

# Summary Financial Statement for the year ending 30 June 2015



	2015	2014
<b>INCOME</b>		
Council contributions	1,576,605	1,556,139
Statutory charges	157,329	428,938
User charges	303,449	371,211
Grants, subsidies and contributions	117,983	173,147
Investment income	20,871	18,022
Reimbursements	2,667	7,713
Other income	3,993	878
<b>TOTAL INCOME</b>	<b>2,182,897</b>	<b>2,556,048</b>
<b>EXPENSES</b>		
Employee costs	1,353,987	1,480,853
Materials, contracts & other expenses	608,515	827,249
Depreciation, amortisation & impairment	83,705	83,704
Finance costs	24,016	39,545
<b>TOTAL EXPENSES</b>	<b>2,070,223</b>	<b>2,431,351</b>
<b>OPERATING SURPLUS (DEFICIT)</b>		
Asset disposal & fair value adjustments	-	-
<b>NET SURPLUS/(DEFICIT)</b>	<b>112,674</b>	<b>124,697</b>
Other comprehensive income	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>112,674</b>	<b>124,697</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	789,971	719,815
Trade and other receivables	162,272	178,512
<b>TOTAL CURRENT ASSETS</b>	<b>952,243</b>	<b>898,327</b>
<b>NON-CURRENT ASSETS</b>		
Infrastructure, property, plant & equipment	441,095	524,800
<b>TOTAL NON-CURRENT ASSETS</b>	<b>441,095</b>	<b>524,800</b>
<b>TOTAL ASSETS</b>	<b>1,393,338</b>	<b>1,423,127</b>
<b>CURRENT LIABILITIES</b>		
Trade & other payables	108,658	181,322
Borrowings	55,934	53,369
Provisions	236,220	251,094
Liabilities relating to non-current assets held for sale	-	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>400,812</b>	<b>485,785</b>
<b>NON-CURRENT LIABILITIES</b>		
Borrowings	435,198	491,132
Provisions	41,662	43,218
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>476,860</b>	<b>534,350</b>
<b>TOTAL LIABILITIES</b>	<b>877,672</b>	<b>1,020,135</b>
<b>NET ASSETS</b>	<b>515,666</b>	<b>402,992</b>
<b>EQUITY</b>		
Accumulated surplus	515,666	402,992
<b>TOTAL EQUITY</b>	<b>515,666</b>	<b>402,992</b>



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE EASTERN HEALTH AUTHORITY**

We have audited the accompanying financial report of the Eastern Health Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2015, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Statement by Chief Executive Officer.

**The Responsibility of the Chief Executive Officer for the Financial Report**

The Chief Executive Officer of the Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive Officer, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011 and the Australian professional ethical pronouncements.

**Auditor's Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Eastern Health Authority as of 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the Australian Accounting Standards (including Australian Accounting Interpretations).

**DEAN NEWBERY & PARTNERS**  
CHARTERED ACCOUNTANTS

  
**JIM KEOGH**  
PARTNER

Signed on the 10<sup>th</sup> day of September 2015,  
at 214 Melbourne Street, North Adelaide, South Australia 5006.

Office:  
214 Melbourne Street  
North Adelaide SA 5006

All Correspondence:  
PO Box 755  
North Adelaide SA 5006

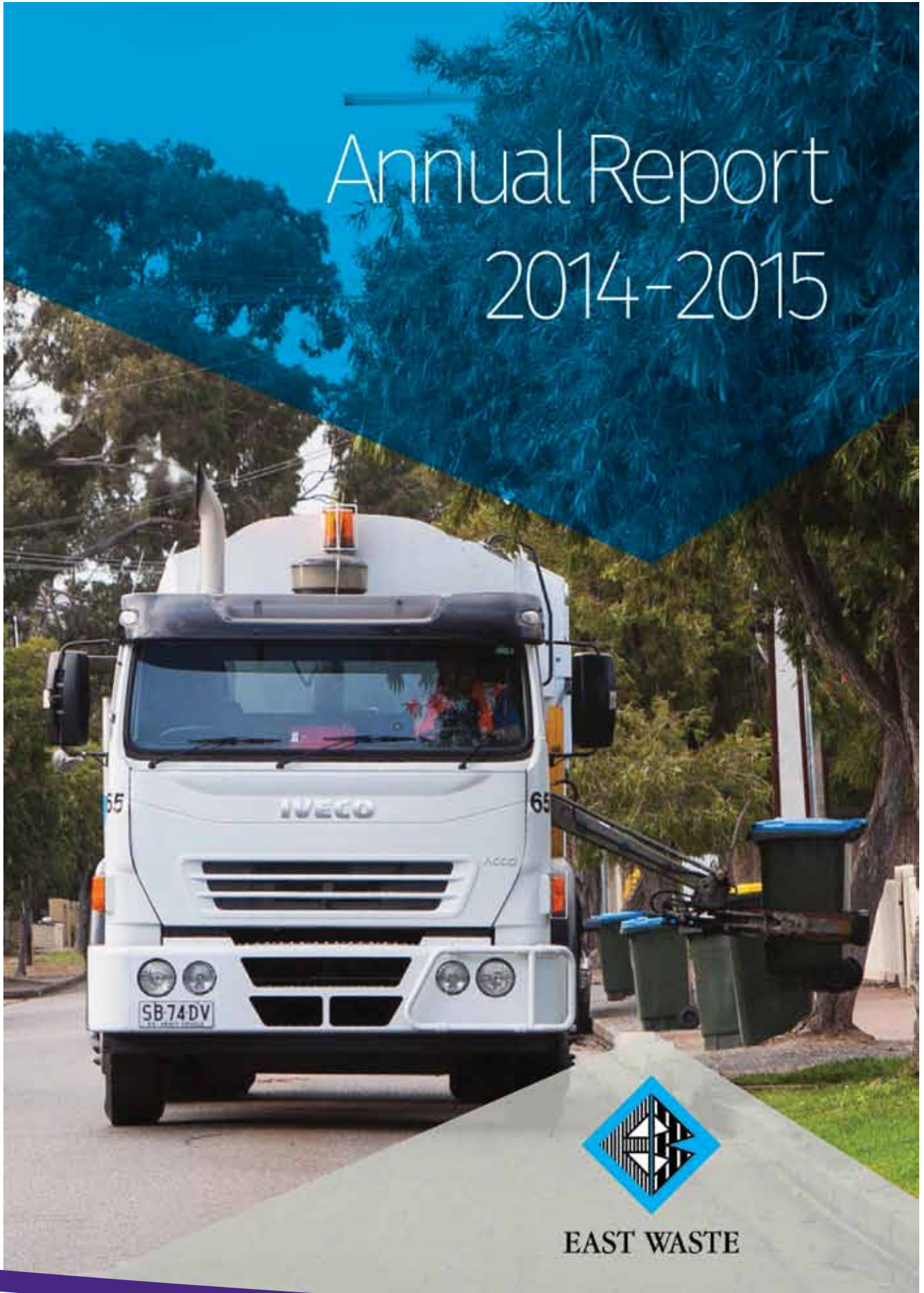
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local councils working together to protect the health of the community

# Annual Report 2014-2015



**EAST WASTE**

East Waste provides an environmentally responsible, effective collection and disposal waste and recycling service for its Constituent Councils.



A target of  
 90%  
of all bins are returned  
upright and lids closed.  
An industry first.

# ANNUAL REPORT 2014-2015

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EASTERN WASTE MANAGEMENT AUTHORITY - ANNUAL REPORT 2014-2015

We are pleased to report that after extensive research, Adelaide Hills Council resolved to remain a Member Council of East Waste.



 4

years ago GPS Tracking introduced to all collection vehicles.

# EAST WASTE INDEPENDENT CHAIRPERSON'S REPORT 2014/15

In this, my third year as the Independent Chair of the East Waste Management Authority, I am very proud to be able to report on an outstanding year for our subsidiary. We have built upon the solid work undertaken in 2013/14 and have grown in our ambition to be a high performing organisation delivering excellent service and good value to our customers and our Member Councils, while providing a quality workplace with high satisfaction levels for our staff.

In his Report, General Manager Adam Faulkner will detail more the recent customer, corporate (Council) and staff satisfaction surveys which support these goals and achievements as well as many other operational matters and successes.

#### **Annual Plan**

At the end of last year Adam Faulkner laid out a very ambitious Annual Plan for 2014/15 for East Waste which included the development of a 10 year Business Plan, a Long Term Financial Plan, a Business Continuity Plan, a Risk Management Plan and a number of other strategic and operational initiatives which enhance the effective and efficient business of East Waste. As a Board we are delighted that Adam and his team have delivered on the 2014/15 Annual Plan setting the organisation up for future success. Feedback received over the past year indicates that the collaborative approach taken by East Waste, together with improved communication and extensive consultation undertaken in the development of our future plans has been appreciated by Member Councils.

The 2015/16 Annual Plan was approved by the Board and Member Councils prior to the end of the financial year 2014/15. It identifies 15 priority projects in the coming year and it promises to provide even greater operational efficiencies, increased services to some Member Councils (at their request) and continued strong engagement and communication with Councils.

East Waste will measure our proactivity within the communities of Member Councils and our responsiveness to community demands. Indeed, we aim to exceed community and Member Council expectations in 2015/16.

#### **Performance/Highlights**

The Audited Financial Statements for East Waste showed an operating surplus for the year of \$133,426 after distributing an interim dividend to each Member Council. The organisation is in a sound financial position with positive net equity and sound cash reserves.

During the latter part of 2014/15 year East Waste undertook a tender process for recyclables and organics processing which over the coming ten year period will prove to be an excellent outcome for Member Councils. In the future we expect that an approximate savings of \$2 million per year will be achieved by the subsidiary (approximately \$20 million over the 10 year contract periods) which will be returned to Member Councils. The Board have expressed their appreciation to Adam and his team for a great result for all in this negotiation.

Another highlight during 2014/15 was the outcome of a process by the Adelaide Hills Council to consider another opportunity for waste services provision offered to it.



To all the Directors of East Waste I thank you for your guidance, support and commitment to East Waste and most particularly for the many good decisions you have taken over the past year which have played a big part in the subsidiary's success.



## 2

years ago East Waste and City of Burnside introduced RFID tracking.



## EAST WASTE INDEPENDENT CHAIRPERSON'S REPORT 2014/15

We are pleased to report that after extensive research, Adelaide Hills Council resolved to remain a Member Council of East Waste providing stability to the Subsidiary and retaining overheads for other Member Councils. It was cited by the Adelaide Hills Council that the improved operational performance of East Waste, leadership, and improved communication were important factors in its decision to remain as a Member Council.

They have helped to focus the subsidiary on quality, value for money, engagement with our key clients and a mantra of continual improvement and efficiency throughout the East Waste business.

We welcome new Directors Cr Karen Hockley (City of Mitcham) and Cr Graham Webster (Corporation of the town of Walkerville) who are taking up those Director roles as Member Council representatives and will no doubt do a fine job.



### Operations Management

In his report Adam has outlined a range of operational matters and achievements which have delivered on our promise to Member Councils. The Board thanks Adam for his excellent leadership of his team and his very thorough and detailed reporting to the Board. To our staff we say thanks and well done on providing our Member Councils with excellent service, improving our efficiencies and in complementing the Member Councils' reputations in each of their communities with high quality delivery of services.

### Governance

The Board of East Waste continues to provide valuable professional advice to the General Manager and his team. During 2015 there have been two changes to the composition of the Board. Mr Matthew Pears (City of Mitcham) and Cr Gianni Busato (Corporation of the town of Walkerville) who have given great service to East Waste have retired from their Director roles in East Waste. We thank them sincerely for their significant contributions over the years.

To all the Directors of East Waste I thank you for your guidance, support and commitment to East Waste and most particularly for the many good decisions you have taken over the past year which have played a big part in the subsidiary's success. We look confidently forward to an even more successful year ahead.

*I commend the 2014-2015 East Waste Annual Report to you.*



*Mr Brian Cunningham  
Independent Chairperson*



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



 23,321

tonnes of recyclables  
collected in our 6 Member  
Councils during 2014/15.

# ABOUT EAST WASTE

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

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

East Waste is administered by a Board in accordance with the requirements of the Local Government Act, the Charter, and other various policies and codes. The membership of the Board comprises of seven directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair. The Board appoints a General Manager who is responsible for implementing the decisions made by the Board, and running the day-to-day operations of East Waste.

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

East Waste operates on a cost share basis between Member Councils. This ensures Councils are not subject to providing varying levels of profit that are required by private sector operators, whilst still benefiting efficiency, buying power and cost effectiveness through East Waste as a service provider. From time to time, East Waste is contracted to provide waste collection services for other Councils (referred to as Client Councils).

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

- Appropriate economical return from the at cost charging methodology based on GPS cost allocation.

- Enhanced quality of service by measuring and valuing quality capacities as well as financial indicators.
- Flexibility in service delivery allowing responsiveness to emerging community and market demands.
- Aligned values and strategic direction with Member Councils, to protect and promote reputation management.
- Reducing exposure of Member Councils to the commercial profit-driven market.

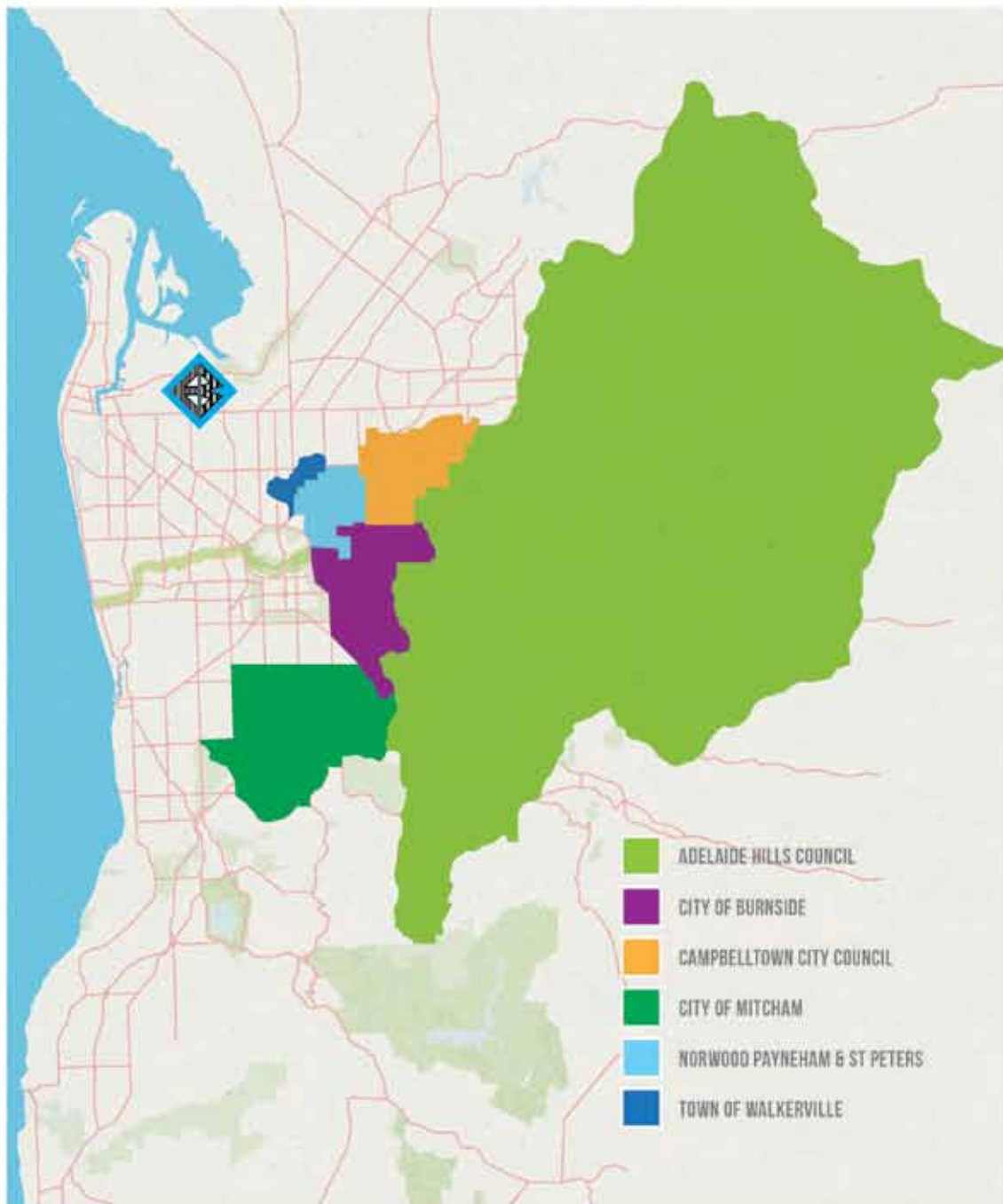
## Core Services

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

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



# EAST WASTE SERVICE AREA



# VISION STATEMENT

## AT EAST WASTE WE ARE ALL ABOUT...

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

## AT EAST WASTE WE ARE MOVING TOWARDS...

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

## AT EAST WASTE WE CONTRIBUTE TO OUR MEMBER COUNCIL COMMUNITIES BY...

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



Impressively, almost 99% of community members indicated that overall they are either fairly satisfied, very satisfied or satisfied with the collection services provided by East Waste.



Approximately  
 30%  
of Metropolitan Adelaide  
is currently serviced by  
the East Waste team.

# GENERAL MANAGER'S REPORT

East Waste has had another strong year on behalf of its Member Councils and their communities. Utilising its modern fleet of collection vehicles, East Waste provided approximately 160,000 kerbside bin collections each week with little incident. East Waste's internal motto of Repeatable Quality is evident in each bin collection, and each time we have reason to interact with our Member Councils and their community.

Some of the key achievements and accomplishments are detailed in the following report, but it is the effort and attention to detail by the wonderfully dedicated drivers and staff that deserve the majority of plaudit.

#### **Community Satisfaction and Staff Satisfaction Survey**

East Waste conducted its first community, Council, and staff satisfaction survey process in 2015. A consultant was engaged to facilitate the confidential process and the results indicated a broad satisfaction with East Waste in terms of reliability, customer service, value for money, and being an employer of choice.

Impressively, almost 99% of community members indicated that overall they are either fairly satisfied, very satisfied or satisfied with the collection services provided by East Waste. When the East Waste Member Councils were asked, over 90% are satisfied with East Waste, while 89% of staff reporting that they are satisfied with their job at East Waste.

The process has provided some valuable information in terms of community, Council and staff sentiment, and I look forward to leading the implementation of the consultants recommendations.

#### **Governance and Strategy**

Following a series of consultation sessions, the East Waste 10 Year Business Plan 2015 – 2025 was adopted by the East Waste Board on 11 June 2015. The Business Plan identifies improvements and efficiencies within the core services that East Waste

provides to Member Councils, but also enhanced service levels that are to be investigated at the request of Member Councils and/or the East Waste Board. The strategic document is broken up into priority projects to be delivered in year 1 (Annual Plan), years 1 – 4 (delivery plan) and across the entire 10 year horizon. Accompanying the Business Plan is a 10 Year Long Term Financial Plan which details revenue and expenditure across the planning period, and an Asset Management Plan which documents East Waste's commitment to responsible collection vehicle replacement.

**TO COMPLEMENT THE 10 YEAR BUSINESS PLAN, A RISK MANAGEMENT PLAN, FRAMEWORK AND RISK REGISTERS WERE DEVELOPED AND ENDORSED BY THE EAST WASTE BOARD.**



Concurrently, a Business Continuity Policy was adopted by the Board, rounding off a strong set of governance and risk mitigation documents that will assist the Subsidiary into the future.

### Contracts

By far the largest success story of the 2014/2015 year was the joint procurement of processing contractors for Member Councils recyclables and organics. East Waste facilitated a tendering process that delivered significant financial savings, improved environmental outcomes, and unbudgeted income for Member Councils.

In financial terms, the new long term 10 year Contracts represent approximately \$2M in savings across the Member Councils per annum. On top of this, the types of materials acceptable for recycling have increased, and the additional drop-off facilities have improved East Waste's travel time and productivity. These Contracts are testament to the Subsidiary model and clear indication of the power of joint purchasing.

**DURING THE REPORTING PERIOD, EAST WASTE ALSO ENTERED INTO NEW PERFORMANCE BASED CONTRACTS FOR TYRES, BULK FUEL AND GPS TECHNOLOGY.**

These service based contracts have saved Member Councils in excess of \$300,000 in year 1, and resulted in significant efficiency and administrative savings.

### New Services

City of Burnside resolved in 2015 to have East Waste conduct a 12 month trial of an "at-call" hard waste collection service, while Town of Walkerville requested East Waste provide its street and public place litter bin collection services. This, on top of a full year of Campbelltown City Council's at-call hard waste service, and City of Burnside transitioning their waste management customer service function across to East Waste.

East Waste has shown capacity and capability to deliver these core services to Member Councils, and looks forward to providing the full set of core services to each and every Member Council in the coming years.

As General Manager, I look forward to implementing the 2015/2016 adopted Annual Plan, and delivering the priority projects outlined in the 10 Year Business Plan 2015 – 2025. However, the focus remains on *Repeatable Quality* in the provision of collection services to Member Councils and their community.



Adam Faulmer  
General Manager





# GOVERNANCE

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

The membership of the Board comprises of seven directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair. The Board appoints a General Manager who is responsible for implementing the decisions made by the Board, and running the day-to-day operations of East Waste. The Board held eight formal meetings (including Special Board Meetings) over the 2014-2015 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
<b>Mr Brian Cunningham</b> (Chair)	8 OF 8
<b>Cr Linda Green</b> (Adelaide Hills Council)	6 OF 8
<b>Cr Grant Piggott</b> (City of Burnside)	6 OF 8
<b>Mr Paul Di Iulio</b> Chief Executive Officer (Campbelltown City Council)	4 OF 8
<b>Cr Karen Hockley</b> (City of Mitcham) Appointed to Board 24 November 2014	4 OF 4
<b>Mr Mario Barone</b> Chief Executive Officer (City of Norwood, Payneham & St Peters)	5 OF 8
<b>Cr Graham Webster</b> (Corporation of the Town of Walkerville) Appointed to Board 24 November 2014	4 OF 4
<b>Matthew Pears</b> Chief Executive Officer (City of Mitcham) Served on Board until 24 November 2014	2 OF 3
<b>Gianni Busato</b> Elected Member (Corporation of the Town of Walkerville) Served on Board until 24 November 2014	3 OF 3



Mr Brian Cunningham  
Independent, Chairperson



Cr Grant Piggott  
City of Burnside



Mr Paul Di Iulio  
Chief Executive Officer  
Campbelltown City Council



Cr Graham Webster\*  
The Corporation of the  
Town of Walkerville



Cr Karen Hockley\*  
City of Mitcham



Cr Linda Green  
Adelaide Hills Council



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



Gianni Busato\*  
The Corporation of the  
Town of Walkerville

\* Appointed 24.11.14.  
First meeting attended  
January 2015.

\* Served until 24.11.14.



Matthew Pears\*  
City of Mitcham



## 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 functions of the Committee include:

- Reviewing annual financial statements to ensure that they provide a timely and fair view of the state of affairs of the subsidiary;
- Liaise with external auditors; and

- Reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the subsidiary on a regular basis.

The Committee held four formal meetings over the 2014 – 2015 financial year,

The Audited Financial Statements for the year ending 30 June 2015 are provided at page 27.

## GOVERNANCE STRUCTURE

The figure below demonstrates the governance arrangements in place to ensure diligent management of East Waste on behalf of the Member Councils.



# COMMUNITY SATISFACTION

Good service delivery and customer service are a hallmark of East Waste's services and this was reflected in the feedback from Member Councils. This is very important to the Member Councils and should be seen a high priority at all times.

This includes areas such as:

- Servicing all presented bins, and replacing ≥90% upright with the lids closed;
- Ensuring any bins that tipped over are put upright;
- Effective and positive complaint handling and timely resolution; and
- Vehicles are clean and well presented.

To ensure a continued high level of customer service and delivery it is important to understand the needs and requirements of East Waste's Member Councils, constituents and stakeholders. In support of this objective, in the 2014-2015 financial year, East Waste,

together with an external consultant, developed and disseminated a Customer Satisfaction Survey.

The results of the survey were very positive. Overall, almost 99% of community members indicated that they are either satisfied, fairly satisfied or very satisfied with collection services provided by East Waste. Indeed, the majority of respondents (54.8%) said that they are very satisfied with waste management services.

The following are some highlights from the responses received:

## QUESTION ASKED: OVERALL, HOW SATISFIED OR DISSATISFIED ARE YOU WITH ALL OF EAST WASTE'S COLLECTION/WASTE MANAGEMENT SERVICES?

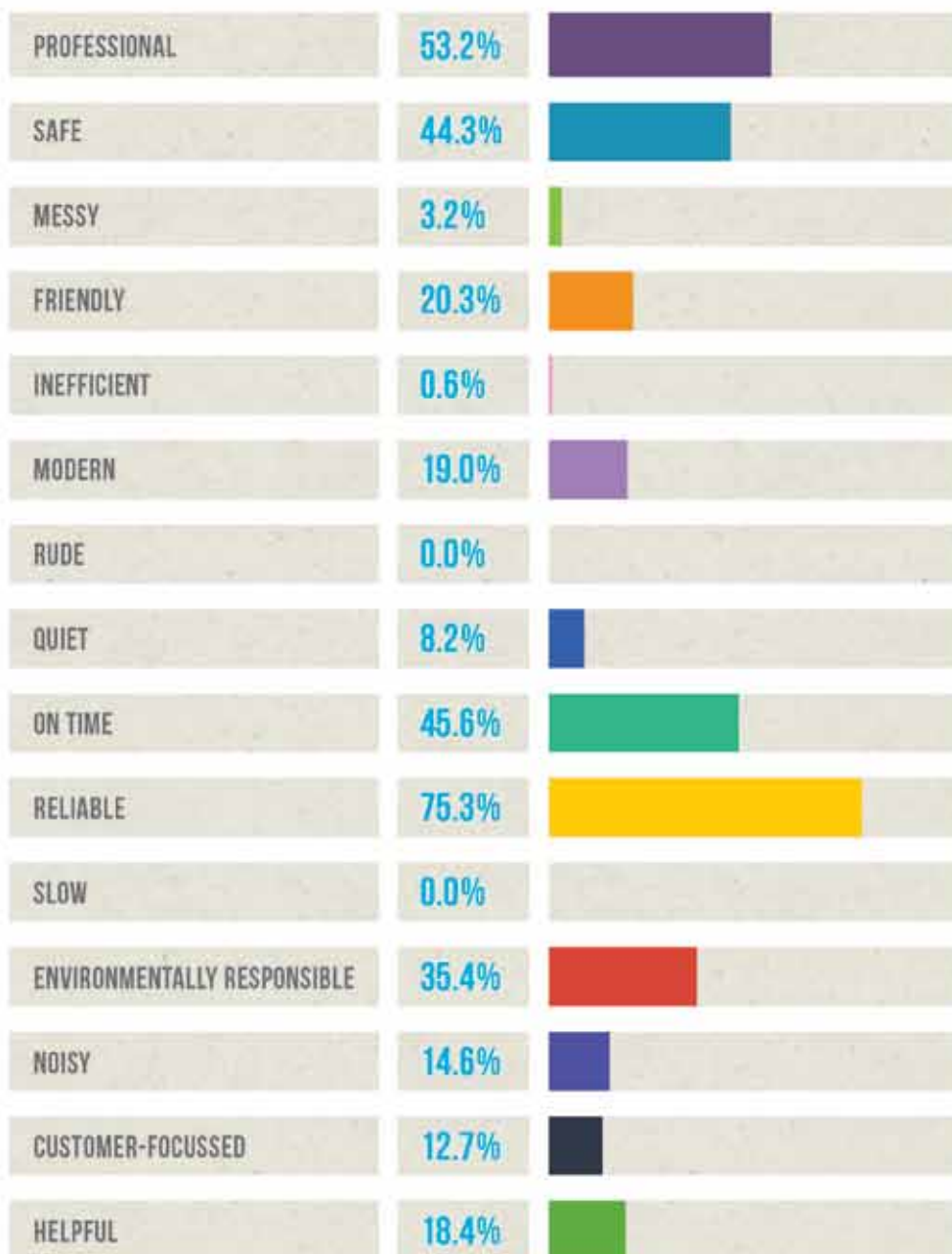
	VERY DISSATISFIED	0.6%
	FAIRLY DISSATISFIED	0.6%
	SATISFIED	21.1%
	FAIRLY SATISFIED	22.9%
	VERY SATISFIED	54.8%



## COMMUNITY SATISFACTION



**QUESTION ASKED:**  
**WHICH OF THE FOLLOWING WORDS WOULD YOU USE TO DESCRIBE THE SERVICE PROVIDED BY EAST WASTE (SELECT ALL WHICH APPLY)?**



# OPERATIONS

East Waste has an established purpose built depot and office facilities in Ottoway. This depot comprises office buildings, a wash bay and fully equipped workshop. East Waste operates and maintains a fleet of 38 collection vehicles, and employs 41 permanent staff.

Uniquely, East Waste prides itself on a single quality performance measurement. We aim to return >90% of all bins upright back to the kerb with the lids closed. This repeatable quality is unparalleled in the industry. Day to day vehicle servicing, maintenance and breakdown rectification is undertaken using a combination of internal workshop resources, and external specialised contractors.

Currently East Waste provides a broad range of services to Member Councils. This is summarised in the Services Matrix below. To continue to provide good value and efficiency to Member Councils, it is important to East Waste to offer all of these current services to Member Councils. This table identifies opportunity for efficient and effective service offerings currently available to Member Councils.

COUNCIL	SERVICES										
	Weekly collection of general waste	Fortnightly collection of recyclables	Fortnightly collection of organics	Food waste in organics	"At Call" Hard Waste	Street/Park/Litter collection	Customer service	Bin repairs/maintenance/replacements	GPS tracking	RFID tracking	Education and promotion
Adelaide Hills Council	✓	✓	✓	✓		✓	✓	✓	✓		✓
City of Burnside	✓	✓	✓	✓	TRIAL		✓		✓	✓	✓
Campbelltown City Council	✓	✓	✓	✓	✓		✓	✓	✓		✓
City of Mitcham		✓	✓	✓	✓		✓	✓	✓		✓
City of Norwood, Payneham & SP	✓	✓	✓	✓		✓	✓	✓	✓		✓
Corp Town of Walkerville	✓	✓	✓	✓		✓	✓	✓	✓		✓



## TONNAGE DATA



Using a frontline fleet of 29 low emission collection vehicles, in 2013/2014 a total of 98,738 tonnes of household waste and recyclables was collected from East Waste Member Council households.

### 52,461 TONNES OF THAT WAS SENT FOR RECYCLING AND BENEFICIAL REUSE.

On average, across all the East Waste Member Councils, that represents an impressive 53% diversion from landfill. So over half of all the materials presented by residents in their wheelie bins each week was either recycled to be turned into new packaging materials, or composted into products to improve soil health in South Australia.

While some Member Councils are achieving above 60% diversion, the average rate of 53% is a promising result, but one that our communities can build upon.

A new waste minimisation education and promotion campaign to be rolled out in 2016 will challenge residents to improve recycling rates even more.

There is a definite environmental and financial benefit from separating out household recyclables and organics and placing them responsibly in the correct bin. East Waste, and Member Councils, will continue to strive for best practice in recycling and diversion of resources from landfill.

KERBSIDE TONNES COLLECTED 2013/14	RECYCLABLES	ORGANICS	WASTE
ADELAIDE HILLS COUNCIL	3492	3047	7634
CITY OF BURNSIDE	4389	6028	7596
CITY OF MITCHAM	6291	7977	12496*
NORWOOD PAYNEHAM & ST PETERS	3747	4421	7139
CAMPBELLTOWN CITY COUNCIL	4691	6643	9993
TOWN OF WALKERVILLE	711	1020	1415

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



## “AT-CALL” HARD WASTE SERVICE

East Waste currently provides an efficient, cost effective and convenient domestic ‘at-call’ hard waste collection service for two of its Member Councils – Campbelltown City Council and City of Mitcham, utilising a purpose built hard waste collection vehicle.

The ‘at-call’ service is an organised service that allows the resident to utilise the service at a date and time that is convenient for them. Traditional hard

waste collection practices often included a ‘city-wide’ collection on a nominated date, which impacted on the streetscapes of the respective Council area, and provided logistical challenges for the collection employees.

The ‘at-call’ service offers a better public amenity, and better flexibility and responsiveness for the resident.



**It's not hard to get rid of hard rubbish.**

Book your free Council collection today.  
8347 5170 or [eastwaste.com.au](http://eastwaste.com.au)



Messenger Press Awareness Campaign

**FOR THE 2014-2015 YEAR,  
EAST WASTE UNDERTOOK 3,461 HARD WASTE  
COLLECTIONS TOTTALLING 620.75 TONNES ON  
BEHALF OF THE CAMPBELLTOWN CITY COUNCIL,  
AND 5,252 HARD WASTE COLLECTIONS  
TOTTALLING 963.04 TONNES ON BEHALF OF  
THE CITY OF MITCHAM.**





In June 2014 the Board recognised Giuliano (Jimmi) Pastro's exceptional and long term contribution to East Waste.

Jimmi Pastro retired from East Waste on 29 July 2014. Jimmi provided 34 years of service to East Waste as a collection driver. Jimmi's contribution to East Waste was significant, and he was thanked by management and staff at a function at the East Waste Depot on Friday 8 August 2014.



46,273

tonnes of waste collected  
from our 6 Member  
Councils in 2014/15.



# WORK, HEALTH & SAFETY

## EAST WASTE VALUES SAFETY

For East Waste, safety is more than a policy manual or a training session; it's how East Waste does business. It cannot be denied that it makes good business sense to have management systems that are designed to be suitable to the nature of the business, responsive to the business needs and manage the business' risks as part of 'every-day' operational practices.

East Waste fosters a culture in which safety, health and welfare are top priorities; and where all staff are responsible for looking out for one another. Our commitment to safety and care for fellow employees is aimed at improved business results as well as business continuity and promotion of a safe workplace.

### Audit results

East Waste is audited by the Local Government Association Workers Compensation Scheme. This annual audit serves to determine if East Waste is meeting the WHS and Injury Management performance standards for self-insured organisations. During the LGAWCS WHS Key Performance Indicator Audit 2014 545 documents were reviewed in total over a two day period. Eleven (11) elements were chosen to be audited, being a sample across all forty six (46) elements.

## AN OUTSTANDING RESULT WAS ACHIEVED BEING AN AUDIT SCORE OF 100 OUT OF 100.

This excellent result ensured East Waste received the maximum possible rebate from the Local Government Workers Compensation Scheme.

The next Audit is due to occur October 2015.



### Risk Management Framework

East Waste, in conjunction with an external consultant, has recently completed a Risk Management Framework. The Risk Management Framework includes a Business Continuity Plan and a Risk Management Plan.

The purpose of this Risk Management Framework is to provide Staff and Board Members of the East Waste, guidance in how to manage risk in a consistent and comprehensive way.



### Workplace Emergency and Evacuation Plan

East Waste's Workplace Emergency and Evacuation Plan (WEEP) acts as a reference source of useful emergency-related information for members of the Emergency Control Organisation, being East Waste, and to provide guidance on immediate actions and important considerations in the event of an emergency situation or critical incident occurring on site.

- To facilitate a prompt, decisive, coordinated and appropriate initial response to an emergency
- To provide guidance for controlling or limiting any negative effect that an actual or potential emergency or critical incident could have on the site or surrounding community
- To provide a framework in which key persons can develop the competencies to effectively respond to an on-site emergency
- To provide a mechanism for assuring the continued accuracy and relevance of the Workplace Emergency and Evacuation Plan

East Waste has an Emergency Management Committee which meets bi-annually as part of its commitment to being an Emergency Control Organisation.

**THE OBJECTIVES OF THE EAST WASTE'S WEEP IS TO PROVIDE A MECHANISM THAT ENABLES THE ORGANISATION AND ITS OFFICERS TO:**

## WORK, HEALTH & SAFETY

### Fatigue Management Policy

A core objective of East Waste's Annual Plan 2014/15 is to ensure Workplace Health and Safety is incorporated into every decision making process that East Waste undertakes. Activities pursued to meet this objective include the development of a Fatigue Management Policy.

The intent of establishing a policy is to reduce risk (further supported by the recent completion of the Risk Management Framework) and embed a:

## 'SAFETY FIRST' CULTURE AT EAST WASTE.

The Fatigue Management Policy was endorsed by the Board. The key features of the fatigue management policy are:

- For every 8 hours worked a break of 30 minutes is to occur
- A minimum of 12 hours is to expire between finishing work and commencing work
- Outlining strategies East Waste already has in place to address possible fatigue related issues (such as; rest breaks, drug testing, daily vehicle safety check sheets, fatigue management training, gym and the fruit program)



# Financial Statement



## 2014-15 Annual Report

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## CERTIFICATION OF FINANCIAL STATEMENTS


### EASTERN WASTE MANAGEMENT AUTHORITY INC

#### CERTIFICATION OF FINANCIAL STATEMENTS

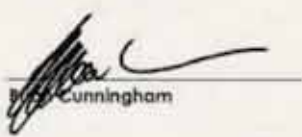
We have been authorised by the entity to certify the financial statements in their final form, in our opinion:

1. The accompanying financial statements comply with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.
2. The financial statements present a true and fair view of the entity's financial position at 30 June 2015 and the results of its operations and cash flows for the financial year.
3. Internal controls implemented by the entity provide a reasonable assurance that the entity's financial records are complete, accurate and reliable and were effective throughout the financial year.
4. The financial statements accurately reflect the entity's accounting and other records.

General Manager

  
Adam Faulkner

Chairman

  
Bill Cunningham

10th September 2015



## EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENT 2014-15

### STATEMENT OF COMPREHENSIVE INCOME AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
<b>INCOME</b>			
Collection charges	2	13,086,802	14,717,803
Investment income	2	42,728	39,194
Other income	2	878,601	930,966
<b>TOTAL INCOME</b>		<u>14,008,131</u>	<u>15,687,963</u>
<b>EXPENSES</b>			
Employee costs	3	4,837,731	4,745,168
Materials, contracts & other expenses	3	6,879,259	8,310,13
Depreciation, amortisation & impairment	3	1,754,292	2,109,033
Finance costs	3	405,851	385,791
<b>TOTAL EXPENSES</b>		<u>13,877,133</u>	<u>15,550,126</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		130,998	137,837
Asset disposal & fair value adjustments		7,002	73,549
Income tax equivalent charge		(4,574)	(20,033)
<b>NET SURPLUS / (DEFICIT)</b>		<u>133,426</u>	<u>191,353</u>
<i>Transferred to Equity Statement</i>			
Other Comprehensive Income		-	-
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>133,426</u>	<u>191,353</u>

The accompanying notes form part of these financial statements.





**STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash on hand	4	2,096,194	1,766,027
Trade & other receivables	4	248,589	371,625
Inventories	4	-	4,278
<b>TOTAL CURRENT ASSETS</b>		<b>2,344,783</b>	<b>2,141,930</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant & equipment	5	6,793,005	6,619,596
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,793,005</b>	<b>6,619,596</b>
<b>TOTAL ASSETS</b>		<b>9,137,788</b>	<b>8,761,526</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade & other payables	6	1,163,066	1,224,141
Borrowings	6	1,099,894	1,617,228
Provisions	6	439,025	258,858
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,701,985</b>	<b>3,100,227</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	6	6,103,149	5,519,620
Provisions	6	55,891	120,360
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,159,040</b>	<b>5,639,980</b>
<b>TOTAL LIABILITIES</b>		<b>8,861,025</b>	<b>8,740,207</b>
<b>NET ASSETS</b>		<b>276,763</b>	<b>21,319</b>
<b>EQUITY</b>			
Retained earnings		276,763	21,319
<b>TOTAL EQUITY</b>		<b>276,763</b>	<b>21,319</b>

The accompanying notes form part of these financial statements.





**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015**

	<b>Accumulated Surplus \$</b>	<b>Total Equity \$</b>
<b>Balance at 1 July 2014</b>	21,319	21,319
<b>Comprehensive income</b>		
Net surplus / (deficit) for the year	133,426	133,426
<b>Total comprehensive income for the year attributable to members of the association</b>	<u>133,426</u>	<u>133,426</u>
Contributed equity	<u>122,018</u>	<u>122,018</u>
<b>Balance at 30 June 2015</b>	<u><b>276,763</b></u>	<u><b>276,763</b></u>
<b>Balance at 1 July 2013</b>	(292,051)	(292,051)
<b>Comprehensive income</b>		
Net surplus / (deficit) for the year	191,352	191,352
<b>Total comprehensive income for the year attributable to members of the association</b>	<u>191,352</u>	<u>191,352</u>
Contributed equity	<u>122,018</u>	<u>122,018</u>
<b>Balance at 30 June 2014</b>	<u>21,319</u>	<u>21,319</u>

The accompanying notes form part of these financial statements.



**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>Cash flows from operating activities</b>			
<i>Receipts</i>			
Operating receipts		14,092,717	15,829,931
Investment receipts		42,728	39,194
<i>Payments</i>			
Finance payments		(405,851)	(320,562)
Distribution to member councils		(4,574)	(20,033)
Operating payments to suppliers & employees		(11,662,367)	(13,803,622)
<b>Net cash provided by (used in) operating activities</b>		<u>2,062,653</u>	<u>1,724,908</u>
<b>Cash flows from investing activities</b>			
<i>Receipts</i>			
Sale of replaced assets		71,455	185,709
Capital contributed by members		122,018	122,018
<i>Payments</i>			
Expenditure on replacement assets		(1,992,154)	(2,299,125)
<b>Net cash provided by (used in) investing activities</b>		<u>(1,798,681)</u>	<u>(1,991,398)</u>
<b>Cash flows from financing activities</b>			
<i>Receipts</i>			
Proceeds from borrowings		1,743,400	2,013,491
<i>Payments</i>			
Repayments of borrowings		(1,677,205)	(2,045,201)
<b>Net cash provided by (used in) financing activities</b>		<u>66,195</u>	<u>(31,710)</u>
Net increase (decrease) in cash held		330,167	(298,200)
Cash on hand at beginning of financial year		1,766,027	2,064,227
Cash on hand at end of financial year		<u>2,096,194</u>	<u>1,766,027</u>

The accompanying notes form part of these financial statements.



### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

The financial statements cover Eastern Waste Management Authority Inc as an individual entity. Eastern Waste Management Authority Inc is an association incorporated in South Australia under the SA Local Government Act 1999 and has its principal place of business at 1 Temple Court Ottoway SA.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### **Basis of Preparation**

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.

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

The preparation of financial statements in conformity with Australian Accounting Standards 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.

##### **The Local Government Reporting Entity**

Eastern Waste Management Authority Inc ("The Authority") is a Local Government Authority Section 43 Regional Subsidiary under the control of the City of Burnside, City of Norwood Payneham & St Peters, Campbelltown City Council, Corporation of the Town of Walkerville, City of Mitcham and Adelaide Hills Council. The Charter was reviewed as required by the Local Government Act 1999 and a revised Charter was gazetted on 29 November 2012. The six Member Councils have an equal equity share and the Board comprises a Director from each Council and an Independent Chair appointed by the absolute majority of Member Councils.

##### **Income Recognition**

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

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

Cash Assets include all amounts readily convertible to cash on hand at the entity's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

##### **Infrastructure, Property, Plant & Equipment**

All assets are initially recognised at cost. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

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. No capitalisation threshold is applied to the acquisition of land or interests in land.





**Infrastructure, Property, Plant & Equipment (Continued)**

All material asset classes are revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on the basis of such cost to reflect the already consumed or expired future economic benefits of the asset. Further detail of existing valuations, methods and valuers are provided at Note 5.

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives on a straight-line basis which, in the opinion of the Authority, best reflects the consumption of the service potential embodied in those assets.

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

The depreciable amount of all fixed assets including building and capitalised lease assets, is depreciated on a straight-line basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Plant and Equipment	10% - 20%
Building and other structures	5% - 10%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for 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.

Where an asset that has been revalued is subsequently impaired, the impairment is first offset against such amount as stands to the credit of that class of assets in Asset Revaluation Reserve, any excess being recognised as an expense.

Borrowing costs in relation to qualifying assets (net of offsetting investment revenue) have been capitalised in accordance with AASB 123 "Borrowing Costs". The amounts of borrowing costs recognised as an expense or as part of the carrying amount of qualifying assets are disclosed in Note 3, and the amount (if any) of interest revenue offset against borrowing costs in Note 2.



### **Payables**

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.

Amounts received from external parties in advance of service delivery, and security deposits held against possible damage to the Authority's assets, are recognised as liabilities until the service is delivered or damage reinstated, or the amount is refunded as the case may be.

### **Borrowings**

Loans 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".

### **Employee Benefits**

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.

No accrual is made for sick leave as 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.

The Authority makes employer superannuation contributions in respect of its employees to the Statewide Superannuation Scheme. This particular Scheme has two types of membership, each of which is funded differently. No changes in accounting policy have occurred during either the current or previous reporting periods.

### **Leases**

In respect of finance leases, where the Authority substantially carries all of the risks incident to ownership, the leased items are initially recognised as assets and liabilities equal in amount to the present value of the minimum lease payments. The assets are disclosed within the appropriate asset class, and are amortised to expense over the period during which the Authority is expected to benefit from the use of the leased assets. Lease payments are allocated between interest expense and reduction of the lease liability, according to the interest rate implicit in the lease.

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

### **Goods and Services Tax**

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.





## Competitive Neutrality

The Authority undertakes commercial (for profit) activities being the collection and disposal of domestic waste on behalf of non member councils. This non core business constitutes a significant business activity of the Authority, as such, for the purposes of the national competition policy, it is an activity to which the principles of competitive neutrality will apply.

The Authority recognises the objective of competitive neutrality as the intention to remove any net competitive advantages from its commercial (for profit) activities. Accordingly, the Authority is implementing principles of competitive neutrality, in particular tax equivalents and debt guarantee fees, where it competes with the private sector.

These tax equivalents include:

- 1.1 payroll tax;
- 1.2 stamp duty;
- 1.3 council rates;
- 1.4 fuel excise;
- 1.5 Work Cover levies;
- 1.6 prevailing commercial interest rates applicable to the purchase of operating plant;
- 1.7 debt guarantee fees, where required;
- 1.8 standard interest rates on borrowings;

The Authority will annually and proportionately disburse to its member councils, the equivalent of all of the costs referred to above together with the equivalent of company taxation on the net profit derived from its commercial (for profit) activities. The disbursements made to the member councils will not and are not intended to be directly or indirectly returned to the Authority.

In bidding for the new commercial (for profit) business activities, the Authority will fully account for all costs including all taxes, licences, fees, charges and guarantees that are applicable to the private sector operating in the same market place, unless all bidders are both equally directed to do otherwise and have the benefit of all exemptions to which the Authority is entitled.

The Authority has obtained and will maintain for its commercial (for profit) activities a prescribed activity license from the Environment Protection Authority for the collection or transport of waste from domestic premises on behalf of non member councils.

## Pending Accounting Standards

Certain new accounting standards and IIG interpretations have been published that are not mandatory for the 30 June 2015 reporting period and have not been used in preparing these reports:

- AASB 9 - Financial Instruments
- AASB 13 - Fair Value Measurement
- AASB 116 - Property, Plant & Equipment
- AASB 119 - Employee Benefits
- AASB 137 - Provisions, Contingent Liabilities and Contingent Assets
- AASB 138 - Intangible Assets
- AASB 139 - Financial Instruments: Recognition and Measurement
- AASB 140 - Investment Properties

Standards containing consequential amendments to other Standards and Interpretations arising from the above: AASB 2010-7, AASB 2014-1, AASB 2014-3, AASB 2014-4, AASB 2014-5, AASB 2014-10, AASB 2015-1, AASB 2015-2 and AASB 2015-3.



## EAST WASTE MANAGEMENT AUTHORITY INC. FINANCIAL STATEMENT 2014-15

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

### Comparative Information

It has been identified that an amendment to comparative income was required to correct an overstatement of income in the 2013/14 financial year of \$122,018. The Statement of Comprehensive Income and Statement of Cash Flows have been restated to reflect the correct treatment of the overstatement of income.

As a result of the correction to income in the Statement of Comprehensive Income, the revised Operating Result for 2013/14 has changed from a \$259,855 surplus to a \$137,837 surplus.

	Previous 2013/2014	Adjustment	New 2013/2014
<b>STATEMENT OF COMPREHENSIVE INCOME</b>			
Income	15,809,981	<u>(122,018)</u>	15,687,963
<i>Movement in Operating Result</i>		<u>(122,018)</u>	
<b>STATEMENT OF CASH FLOWS</b>			
Operating Receipts	1,846,926	<u>(122,018)</u>	1,724,908
<i>Movement in Operating Cash Flows</i>		<u>(122,018)</u>	
Capital Contributed by Members	-	<u>122,018</u>	122,018
<i>Movement in Investing Cash Flows</i>		<u>122,018</u>	





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

2. INCOME

	2015 \$	2014 \$
<b>Collection Charges</b>		
Household refuse	3,853,511	4,200,218
Administration	202,812	202,812
Green organics	3,089,855	3,689,322
Recyclables	3,910,422	4,172,585
Hardwaste	361,775	198,927
Litter	233,959	188,001
Waste disposal	1,402,234	1,903,576
Recycling	32,234	162,362
	<u>13,086,802</u>	<u>14,717,803</u>
<b>Investment Income</b>		
Bank interest	<u>42,728</u>	<u>39,194</u>
<b>Other Income</b>		
Bin supply	485,995	729,110
Replacement bins	128,471	121,274
Sundry	264,135	80,582
	<u>878,601</u>	<u>930,966</u>





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3. EXPENSES

	2015 \$	2014 \$
<b>Employee Costs</b>		
Salaries and wages	3,552,355	3,399,275
Employee entitlements expense	218,599	88,364
Superannuation	278,110	239,935
Workers' compensation insurance	157,318	94,490
Wages casual agency staff	563,945	862,731
Other	67,404	60,373
	<u>4,837,731</u>	<u>4,745,168</u>
Total Number of Employees <i>(Full time equivalent at end of reporting period)</i>	50	45
<b>Materials, Contracts &amp; Other Expenses</b>		
<i>Prescribed Expenses</i>		
Auditor's remuneration - Auditing the financial reports	8,000	8,930
Board fees	23,850	17,400
Operating lease rentals	28,233	112,017
	<u>60,083</u>	<u>138,347</u>
<i>Other Materials, Contracts &amp; Expenses</i>		
Contractors	-	119,256
Disposal fees	2,264,004	2,797,188
Dumping fees	343,514	350,568
Energy	25,997	21,903
Fuel, gas & oil	957,456	1,364,524
GPS expenses	36,512	-
Insurance	24,164	16,493
Maintenance	1,522,552	1,751,374
Legal expenses	31,974	14,063
Printing, stationery, postage & courier	33,829	35,749
Promotion & advertising	21,005	13,813
Parts, accessories & consumables	45,799	111,777
Processing costs	40,041	179,150
Professional services	185,164	45,321
Registration & insurance - trucks	260,155	254,359
Telephone	41,688	42,145
Sorting fees	676,537	769,040
Sundry	308,785	285,064
	<u>6,819,176</u>	<u>8,171,787</u>
	<u>6,879,259</u>	<u>8,310,134</u>





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

3. EXPENSES CONTINUED

	2015	2014
	\$	\$
<b>Depreciation, Amortisation &amp; Impairment</b>		
<i>Depreciation</i>		
Buildings & other structures	7,163	7,163
Plant & equipment	1,747,129	2,101,870
	<u>1,754,292</u>	<u>2,109,033</u>
<b>Finance Costs</b>		
Bank charges & bill fees	2,214	3,999
Interest on loans	403,637	381,792
	<u>405,851</u>	<u>385,791</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

4. CURRENT ASSETS

	2015 \$	2014 \$
<b>Cash on hand</b>		
Short term deposits	1,452,513	1,311,952
Cash at bank	643,681	454,075
	<u>2,096,194</u>	<u>1,766,027</u>
<b>Trade &amp; other receivables</b>		
Debtors - general	247,599	370,840
Prepayments	990	785
	<u>248,589</u>	<u>371,625</u>
<b>Inventories</b>		
Stores & materials	-	4,278
	<u>-</u>	<u>4,278</u>



During the latter part of 2014/15 year East Waste undertook a tender process for recyclables and organics processing which over the coming ten year period will prove to be an excellent outcome for Member Councils.



29,136

tonnes of organic waste collected for residents in our Member Councils.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5. INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

2014				
	<i>At Fair Value</i>	<i>At Cost</i>	<i>Acc Depn</i>	<i>Carrying Amount</i>
Buildings & Other Structures	26,732	48,383	(17,549)	57,566
Plant & Equipment	-	19,388,350	(12,826,320)	6,562,030
<b>Total</b>	26,732	19,436,733	(12,843,869)	6,619,596

2015				
	<i>At Fair Value</i>	<i>At Cost</i>	<i>Acc Depn</i>	<i>Carrying Amount</i>
Buildings & Other Structures	26,732	48,383	(24,712)	50,403
Plant & Equipment	-	12,873,515	(6,130,913)	6,742,602
<b>Total</b>	26,732	12,921,898	(6,155,625)	6,793,005

2014 CARRYING AMOUNT MOVEMENT DURING YEAR				
	<i>Carrying Amount</i>	<i>Additions</i>		<i>Disposals</i>
		<i>New/Upgrade</i>	<i>Renewels</i>	
Buildings & Other Structures	57,566	-	-	-
Plant & Equipment	6,562,030	1,992,154	-	(64,453)
<b>Total</b>	6,619,596	1,992,154	-	(64,453)
Comparatives	6,541,665	2,299,125	-	(112,161)

2015 CARRYING AMOUNT MOVEMENT DURING YEAR				
	<i>Depreciation</i>	<i>Writeback</i>	<i>Adjustment</i>	<i>Carrying Amount</i>
Buildings & Other Structures	(7,163)	-	-	50,403
Plant & Equipment	(1,747,129)	-	-	6,742,602
<b>Total</b>	(1,754,292)	-	-	6,793,005
Comparatives	(2,109,033)	-	-	6,619,596



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

## 6. LIABILITIES

	2015	2014
	\$	\$
<b>Trade and other payables</b>		
<i>Current</i>		
Goods & services	745,638	921,814
Accrued charges - employee entitlements	254,976	152,075
Accrued charges - other	157,878	130,219
Other	4,574	20,033
	<u>1,163,066</u>	<u>1,224,141</u>
<b>Borrowings</b>		
<i>Current</i>		
Lease and goods mortgage liability	1,038,885	1,534,378
Loan to repay HLA	61,009	82,850
	<u>1,099,894</u>	<u>1,617,228</u>
<i>Non Current</i>		
Lease and goods mortgage liability	5,654,846	5,010,308
Loan to repay HLA	448,303	509,312
	<u>6,103,149</u>	<u>5,519,620</u>
<b>Provisions</b>		
<i>Current</i>		
Employee entitlements (inc oncosts)	439,025	258,858
	<u>439,025</u>	<u>258,858</u>
<i>Non Current</i>		
Employee entitlements (inc oncosts)	55,891	120,360
	<u>55,891</u>	<u>120,360</u>



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

5. INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

2014				
	<i>At Fair Value</i>	<i>At Cost</i>	<i>Acc Depn</i>	<i>Carrying Amount</i>
Buildings & Other Structures	26,732	48,383	(17,549)	57,566
Plant & Equipment	-	19,388,350	(12,826,320)	6,562,030
<b>Total</b>	26,732	19,436,733	(12,843,869)	6,619,596

2015				
	<i>At Fair Value</i>	<i>At Cost</i>	<i>Acc Depn</i>	<i>Carrying Amount</i>
Buildings & Other Structures	26,732	48,383	(24,712)	50,403
Plant & Equipment	-	12,873,515	(6,130,913)	6,742,602
<b>Total</b>	26,732	12,921,898	(6,155,625)	6,793,005

2014 CARRYING AMOUNT MOVEMENT DURING YEAR				
	<i>Carrying Amount</i>	<i>Additions</i>		<i>Disposals</i>
		<i>New/Upgrade</i>	<i>Renewels</i>	
Buildings & Other Structures	57,566	-	-	-
Plant & Equipment	6,562,030	1,992,154	-	(64,453)
<b>Total</b>	6,619,596	1,992,154	-	(64,453)
Comparatives	6,541,665	2,299,125	-	(112,161)

2015 CARRYING AMOUNT MOVEMENT DURING YEAR				
	<i>Depreciation</i>	<i>Writeback</i>	<i>Adjustment</i>	<i>Carrying Amount</i>
Buildings & Other Structures	(7,163)	-	-	50,403
Plant & Equipment	(1,747,129)	-	-	6,742,602
<b>Total</b>	(1,754,292)	-	-	6,793,005
Comparatives	(2,109,033)	-	-	6,619,596





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

6. LIABILITIES

	2015 \$	2014 \$
<b>Trade and other payables</b>		
<i>Current</i>		
Goods & services	745,638	921,814
Accrued charges - employee entitlements	254,976	152,075
Accrued charges - other	157,878	130,219
Other	4,574	20,033
	1,163,066	1,224,141
<b>Borrowings</b>		
<i>Current</i>		
Lease and goods mortgage liability	1,038,885	1,534,378
Loan to repay HLA	61,009	82,850
	1,099,894	1,617,228
<i>Non Current</i>		
Lease and goods mortgage liability	5,654,846	5,010,308
Loan to repay HLA	448,303	509,312
	6,103,149	5,519,620
<b>Provisions</b>		
<i>Current</i>		
Employee entitlements (inc oncosts)	439,025	258,858
<i>Non Current</i>		
Employee entitlements (inc oncosts)	55,891	120,360





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

7. RECONCILIATION TO CASH FLOW STATEMENT

**Reconciliation of Cash**

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

	2015	2014
	\$	\$
Total cash & equivalents	2,096,194	1,766,027
Less: short-term borrowings	-	-
Balances per Statement of Cash Flow	<u>2,096,194</u>	<u>1,766,027</u>
<b>Reconciliation of Change in Net Assets to Cash from Operating Activities</b>		
Net Surplus / (Deficit)	133,426	191,353
Non-cash items in Income Statement		
Depreciation, amortisation & impairment	1,754,292	2,109,033
Net (gain) / loss on disposals	(7,002)	(73,549)
Changes in Net Current Assets / Liabilities		
Net movement in receivables	123,036	(377,605)
Net movement in inventories	4,278	(1,362)
Net movement in trade & other payables	(61,075)	(202,143)
Net movement in provisions	115,698	79,181
<b>Net Cash provided by (or used in) operations</b>	<u>2,062,653</u>	<u>1,724,908</u>





## 8. FINANCIAL INSTRUMENTS

All financial instruments are categorised as loans and receivables.

Accounting Policies - Recognised Financial Instruments

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

#### Accounting Policy

Carried at lower of cost and net realisable value; interest is recognised when earned.

#### Terms & Conditions

Deposits are returning fixed interest rates between 2.00% and 2.05% (2014: 2.75% and 3.25%).

#### Carrying Amount

Approximates fair value due to the short term to maturity.

### 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 entity.

#### Terms & Conditions

Liabilities are normally settled on 30 day terms.

#### Carrying Amount

Approximates fair value.

### Liabilities - Interest Bearing Borrowings

#### Accounting Policy

Carried at the principal amounts. Interest is charged as an expense as it accrues.

#### Terms & Conditions

Secured over future revenues, borrowings are repayable; interest is charged at fixed rates between 4.25% and 7.01% (2014: 4.80% and 7.01%).

#### Carrying Amount

Approximates fair value.

### Liabilities - Finance Leases

#### Accounting Policy

Accounted for in accordance with AASB 117.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Liquidity Analysis

2015	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total	
				Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>					
Cash & Equivalents	2,096,194	-	-	2,096,194	2,096,194
Receivables	248,589	-	-	248,589	248,589
	<u>2,344,783</u>	<u>-</u>	<u>-</u>	<u>2,344,783</u>	<u>2,344,783</u>
<b>Financial Liabilities</b>					
Payables	745,638	-	-	745,638	745,638
Current Borrowings	1,700,074	-	-	1,700,074	1,038,885
Non-Current Borrowings	-	4,974,068	1,510,869	6,484,936	5,654,846
	<u>2,445,712</u>	<u>4,974,068</u>	<u>1,510,869</u>	<u>8,930,648</u>	<u>7,439,369</u>

2014	Due < 1 year	Due > 1 year; < 5 years	Due > 5 years	Total	
				Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>					
Cash & Equivalents	1,766,027	-	-	1,766,027	1,766,027
Receivables	371,625	-	-	371,625	371,625
	<u>2,137,652</u>	<u>-</u>	<u>-</u>	<u>2,137,652</u>	<u>2,137,652</u>
<b>Financial Liabilities</b>					
Payables	921,814	-	-	921,814	921,814
Current Borrowings	2,085,075	-	-	2,085,075	1,617,228
Non-Current Borrowings	-	5,519,620	-	5,519,620	5,519,620
	<u>3,006,889</u>	<u>5,519,620</u>	<u>-</u>	<u>8,526,509</u>	<u>8,058,662</u>

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 entity.

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 allowance for doubtful debts. Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of 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 Management Policy (LGA Information Paper 15), liabilities have a range of maturity dates. 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 - both assets and liabilities - are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.





NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

9. EXPENDITURE COMMITMENTS

	2015	2014
	\$	\$
<b>Finance Lease Commitments</b>		
Commitments under finance leases at the reporting date are as follows:		
Not later than one year	1,639,065	2,032,673
Later than one year and not later than 5 years	4,525,765	5,090,608
Later than 5 years	<u>1,510,869</u>	<u>1,161,387</u>
Minimum lease payments	7,675,698	8,284,668
Less: future finance charges	<u>(981,958)</u>	<u>(1,147,821)</u>
Net lease liability	<u>6,693,740</u>	<u>7,136,847</u>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**10. UNIFORM PRESENTATION OF FINANCES**

The following is a high level summary of both operating and capital investment activities of the entity prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances.

	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
Income	14,008,131	15,687,963
<i>less</i> Expenses:	<u>13,877,133</u>	<u>15,550,126</u>
Operating Surplus / (Deficit)	130,998	137,837
<i>less</i> Net Outlays on Assets		
Capital expenditure on renewal & replacement of existing assets	1,992,154	2,299,125
Depreciation, amortisation & impairment	(1,754,292)	(2,109,033)
Proceeds from sale of replaced assets	<u>(71,455)</u>	<u>(185,709)</u>
	166,407	4,383
Net Lending / (Borrowing) for Financial Year	<u>(35,409)</u>	<u>133,454</u>





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 11. RELATED PARTY INFORMATION

A new charter for East Waste was gazetted on 29 November 2012. Under this Charter, Directors are not paid by East Waste and the newly appointed Independent Chair is paid by East Waste. The remuneration set by the Board is \$20,000 per annum.

#### **Board Members**

##### *Mr. P DiIulio*

Appointed to the Board of East Waste for a term of two (2) years from the date of the gazettal of new charter 29 November 2012. Reappointed in December 2014.

##### *Cr G Piggott*

Appointed to the Board of East Waste for a term of two (2) years from 17 September 2012. Reappointed in December 2014.

##### *Mr. M Barone*

Appointed to the Board of East Waste for a term of two (2) years from the date of the gazettal of new charter 29 November 2012. Reappointed in December 2014.

##### *Cr K Hockley*

Appointed to the Board of East Waste for a term of two (2) years from 25 November 2014.

##### *Cr G Webster*

Appointed to the Board of East Waste for a term of two (2) years from 24 November 2014.

##### *Cr L Green*

Appointed to the Board of East Waste in February 2013. Reappointed in November 2014.

##### *Mr B Cunningham*

Appointed as Independent chairman of the Board of East Waste in March 2013. Reappointed in June 2015.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

12. KEY MANAGEMENT PERSONNEL

The table below summarises in aggregate the remuneration of all senior management personnel and Board Members of the Eastern Waste Management Authority Inc.

	Salary	Super	Non-Cash	Allowances	ETP	Total
	\$	\$	\$	\$	\$	\$
2015	128,827	13,523	-	12,000	-	154,350
2014	125,240	12,760	-	12,000	-	150,000

**Board Member Compensation**

Independent Chairperson - \$20,000 (2014: \$4,350)

Independent Audit Committee Members - \$3,850 (2014: \$1,050)





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

### 13. Highbury Landfill Authority Inc

The Eastern Waste Management 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 Eastern Waste Management Authority comprised 3 member Councils, being the City of Norwood, Payneham and St Peters, the City of Burnside and the Corporation of the Town of Walkerville.

On 5 August 2004, the City of Norwood, Payneham and 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 Eastern Waste Management Authority Inc. Charter was amended to include the three new member Councils - the City of Mitcham, the Campbelltown City Council and Adelaide Hills Council.

On 1 January 2005 a loan was created between East Waste 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 East Waste 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 East Waste resolved in February 2010 to charge Member Councils the loan repayments for this loan in their equity percentages as set out in the January 2005 charter.

### 14. EVENTS OCCURRING AFTER BALANCE DATE

In accordance with AASB 110, there were no events subsequent to 30 June 2015 that need to be disclosed in the financial statements.





**CERTIFICATION OF AUDITOR INDEPENDENCE**


**EASTERN WASTE MANAGEMENT AUTHORITY INC**

**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of the Authority for the year ended 30 June 2015, the Council's Auditor, Dean Newbery & Partners, 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.

General Manager

  
Adam Faulkner

Presiding Member  
Audit Committee

  
B. Cunningham

6<sup>th</sup> September 2015



East Waste to continue to provide core services to Member Council's, and advise Member Councils of the capacity to deliver the full range of core services which could further drive efficiencies and alignment between Member Councils and East Waste.



♻️ 56,461

tonnes sent for recycling  
and beneficial reuse  
during 2014/15.

**It's not hard  
to get rid of  
hard rubbish.**



**Book your free Council collection today.**

No need to wait for spring, we collect all year round.  
Call 8347 5170 or go online [eastwaste.com.au](http://eastwaste.com.au).



Messenger Press Awareness Campaign

## WHO IS EAST WASTE?

- A Regional Subsidiary established under the Local Government Act 1999 Six Member Councils.
- Purpose is to collect and dispose/recycle Member Councils wastes and recyclables.
- Provide approximately 180,000 services per week.
- Services approximately 30% of Metro Adelaide.
- Board of Directors & Independent Chairman.
- East Waste has a General Manger and 41 permanent staff members.
- Purpose built depot, fuel supply, self-sufficient workshop and administration centre.



Approximately  
 **160,000**  
bins collected per week,  
every week, each day  
of the week  
(bar two).



## EAST WASTE

1 Temple Court  
Ottoway SA 5013

PO Box 26  
Mansfield Park SA 5012

Phone 08 8347 5111

Fax 08 8240 3244

Email [east@eastwaste.com](mailto:east@eastwaste.com)

[www.eastwaste.com.au](http://www.eastwaste.com.au)



**Highbury Landfill Authority**  
**General Purpose Financial Reports**  
for the year ended 30 June 2015

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# HIGHBURY LANDFILL AUTHORITY

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015

### CERTIFICATION OF FINANCIAL STATEMENTS

We have been authorised by the Authority 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 2015 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.

  
.....  
Trevor Hockley  
CHIEF EXECUTIVE OFFICER

  
.....  
Graham Webster  
CHAIRPERSON

Date: 21 September 2015

Highbury Landfill Authority

STATEMENT OF COMPREHENSIVE INCOME  
for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>INCOME</b>			
Interest Received	2	636	1,255
Sundry Income	2	6,822	-
<b>Total Income</b>		<u>7,458</u>	<u>1,255</u>
<b>EXPENSES</b>			
Materials, contracts & other expenses	3	2,250	2,080
Depreciation, amortisation & impairment	3	7,395	7,395
Highbury Closure Provision	3	490,860	199,609
<b>Total Expenses</b>		<u>500,505</u>	<u>209,084</u>
<b>OPERATING SURPLUS / (DEFICIT)</b>		<b>(493,047)</b>	<b>(207,829)</b>
Other Comprehensive Income		-	-
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u><b>(493,047)</b></u>	<u><b>(207,829)</b></u>

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



## Highbury Landfill Authority

### STATEMENT OF FINANCIAL POSITION as at 30 June 2015

<b>ASSETS</b>	Notes	<b>2015</b>	<b>2014</b>
		<b>\$</b>	<b>\$</b>
<b>Current Assets</b>			
Cash and cash equivalents	4	92,079	58,982
Trade & other receivables	4	4,234	3,305
<b>Total Current Assets</b>		<b>96,313</b>	<b>62,287</b>
<b>Non-current Assets</b>			
Infrastructure, property, plant & equipment	5	16,590	23,985
<b>Total Non-current Assets</b>		<b>16,590</b>	<b>23,985</b>
<b>Total Assets</b>		<b>112,903</b>	<b>86,272</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & other payables	6	7,169	18,491
Provisions	6	171,000	131,000
<b>Total Current Liabilities</b>		<b>178,169</b>	<b>149,491</b>
<b>Non-current Liabilities</b>			
Provisions	6	4,372,000	4,091,000
<b>Total Non-current Liabilities</b>		<b>4,372,000</b>	<b>4,091,000</b>
<b>Total Liabilities</b>		<b>4,550,169</b>	<b>4,240,491</b>
<b>NET ASSETS</b>		<b>(4,437,266)</b>	<b>(4,154,219)</b>
<b>EQUITY</b>			
Accumulated Surplus		(4,437,266)	(4,154,219)
<b>TOTAL EQUITY</b>		<b>(4,437,266)</b>	<b>(4,154,219)</b>

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



## Highbury Landfill Authority

### STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2015

2015	Notes	Accumulated Surplus \$	TOTAL EQUITY \$
Balance at end of previous reporting period		(4,154,219)	(4,154,219)
<b>Net Surplus / (Deficit) for Year</b>		(493,047)	(493,047)
<b>Other Comprehensive Income</b>			
Member Council Contributions - Recurrent Funding of Provision			
-City of Burnside		105,852	105,852
-City of Norwood Payneham & St Peters		84,750	84,750
-Corporation of the Town of Walkerville		19,398	19,398
<b>Balance at end of period</b>		<u>(4,437,266)</u>	<u>(4,437,266)</u>
<b>2014</b>			
Balance at end of previous reporting period		(4,046,390)	(4,046,390)
<b>Net Surplus / (Deficit) for Year</b>		(207,829)	(207,829)
<b>Other Comprehensive Income</b>			
Member Council Contributions - Recurrent Funding of Provision			
-City of Burnside		50,406	50,406
-City of Norwood Payneham & St Peters		40,357	40,357
-Corporation of the Town of Walkerville		9,237	9,237
<b>Balance at end of period</b>		<u>(4,154,219)</u>	<u>(4,154,219)</u>



## Highbury Landfill Authority

### STATEMENT OF CASH FLOWS for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<u>Receipts</u>			
Interest Received		636	1,255
GST Reimbursements		15,455	18,900
Sundry		7,504	
<u>Payments</u>			
Payments to Suppliers		(200,498)	(188,406)
<b>Net Cash provided by (or used in) Operating Activities</b>	7	<b>(176,903)</b>	<b>(168,251)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
		-	-
<b>Net Cash provided by (or used in) Investing Activities</b>		-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<u>Receipts</u>			
Member Council Contributions		210,000	100,000
			-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>210,000</b>	<b>100,000</b>
<b>Net Increase (Decrease) in cash held</b>	7	<b>33,097</b>	<b>(68,251)</b>
Cash & cash equivalents at beginning of period	7(a)	58,982	127,233
<b>Cash &amp; cash equivalents at end of period</b>	7(a)	<b>92,079</b>	<b>58,982</b>

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

## Highbury Landfill Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

#### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

Highbury Landfill Authority (the Authority) is a Regional Subsidiary under Section 43 and Schedule 2 of the Local Government Act 1999. The Member Councils and their respective percentages of equity are as follows:

<i>Constituent Council</i>	<i>Equity Share %</i>
City of Burnside	50.406%
City of Norwood Payneham & St Peters	40.357%
Corporation of the Town of Walkerville	9.237%

The financial report was authorised for issue by certificate under clause 11 of the *Local Government (Financial Management) Regulations 2011*.

The following is a summary of the material accounting policies adopted by the Authority in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

#### **Basis of preparation**

##### **Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### **Accounting Policies**

##### **(a) Competitive Neutrality**

The Authority does not undertake commercial (for profit) activities.

The Authority holds an Environmental Authorisation under Part 6 of the Environment Protection Act 1993. The EPA Licence number is EPA15145 and this licence was renewed on from 31 July 2011.

##### **(b) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

##### **Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board of the Authority to ensure it is not in excess of the recoverable amount from these assets.

##### **Depreciation**

The depreciable amount of all fixed assets including building and capitalised lease assets, is depreciated on a diminishing value basis over their useful lives commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Asset</b>	<b>Depreciation Rate</b>
Plant and equipment	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings

## Highbury Landfill Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

for the year ended 30 June 2015

#### **NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

##### **(c) Impairment**

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for 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 of these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

##### **(d) Cash And Cash Equivalents and other Financial Instruments**

Cash Assets include all amounts readily convertible to cash on hand at 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 for rates and annual charges are secured over the subject land, and bear interest at rates determined in accordance with the Local Government Act 1999. Other 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.

##### **(e) Investments**

Investments represent monies on deposit at twenty-four hour call and on fixed deposit for twelve months or less.

##### **(f) Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

##### **(g) Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

##### **(h) Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

##### **Critical Accounting Estimates and Judgments**

The Authority evaluates 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 are based on current trends and economic data, obtained both externally and within the association.

##### **Going Concern Basis**

The Board of Management of HLA notes the accumulated deficit of \$4,437,266, including a working capital deficiency of \$81,856. The Authority is required to manage the post-closure of the Highbury landfill and the Authority has a statutory guarantee from its Member Councils to meet all financial obligations and accordingly has prepared the financial statements on a going concern basis.

## Highbury Landfill Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>NOTE 2: INCOME</b>			
<b>Operating Activities</b>			
Interest Income		636	1,255
Sundry Income		6,822	-
		<u>7,458</u>	<u>1,255</u>
<b>NOTE 3: EXPENSES</b>			
<b>Prescribed Expenses</b>			
Auditor's Remuneration		2,250	2,080
<b>Depreciation</b>			
Plant & Equipment		7,395	7,395
<b>Highbury Closure Provision</b>			
Movement in Provision	6	490,860	199,609
		<u>490,860</u>	<u>199,609</u>
<b>NOTE 4: CURRENT ASSETS</b>			
Cash on Hand and at Bank		76,053	43,495
Investments in LGFA		16,026	15,487
GST Receivable		4,234	3,305
		<u>96,313</u>	<u>62,287</u>

## Highbury Landfill Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 5 - INFRASTRUCTURE, PROPERTY, PLANT & EQUIPMENT

	2014				2015			
	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEP'N	CARRYING AMOUNT
	\$	\$	\$	\$	\$	\$	\$	\$
Land	-	1,800	-	1,800	-	1,800	-	1,800
Plant & Equipment	-	78,090	(55,905)	22,185	-	78,090	(63,300)	14,790
<b>TOTAL INFRASTRUCTURE, PROPERTY, PLANT &amp; EQUIPMENT</b>	-	79,890	(55,905)	23,985	-	79,890	(63,300)	16,590
<i>Comparatives</i>	-	79,890	(48,510)	31,380	-	79,890	(55,905)	23,985

## Highbury Landfill Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 6 - LIABILITIES

	Notes	2015		2014	
		\$	\$	\$	\$
<b>TRADE &amp; OTHER PAYABLES</b>		Current	Non-current	Current	Non-current
Goods & Services		7,169	-	18,491	-
		<b>7,169</b>	-	<b>18,491</b>	-
<b>PROVISIONS</b>		Current	Non-current	Current	Non-current
Provision for Highbury Post Closure		171,000	4,372,000	131,000	4,091,000
		<b>171,000</b>	<b>4,372,000</b>	<b>131,000</b>	<b>4,091,000</b>

*Movements in Provisions - 2015 year only  
(current & non-current)*

Opening Balance		4,222,000			
(Less) Payments recorded and accrued	3	(169,860)			
Add (Less) Remeasurement Adjustments	3	490,860			
Closing Balance		<b>4,543,000</b>			

The Authority has an ongoing obligation under its EPA licence to manage the post-closure phase for the landfill for at least 25 years. A provision for the Highbury Landfill closure has been accrued. A net present value (NPV) calculation has then been made by estimating cash flows to manage the Highbury site in accordance with its EPA licence for a 25 year period commencing 1 July 2009. The cash outflows have been escalated at an inflation forecast of 3% per annum and the discount rate used is equivalent to the 10 year Commonwealth Bond rate - indicative mid rate 30 June 2015 adjusted to 30 June balance dates. This NPV calculation has been incorporated into the provision and represents the Authority's best estimate of its future liability to manage the Highbury Landfill post-closure phase.

In 2012, the Board of the Highbury Landfill Authority resolved to have the cash flow estimates and assumptions in the provision spreadsheet reviewed by Golder Associates. Their summary conclusion was that the provision appears to be reasonable based on available information.

The Audit Committee of the Highbury Landfill Authority has recommended that the provision be reviewed annually and that the provision be independently reviewed every 3 years. It has been reviewed in 2015 by Golder Associates, with the next review is scheduled for 30 June 2018.

Golder Associates have based their Post Closure provision estimates on the Authority having a further 21 year monitoring obligation.



## Highbury Landfill Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 7 - RECONCILIATION TO STATEMENT OF CASH FLOW

**(a) Reconciliation of Cash**

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

	Notes	2015 \$	2014 \$
Cash at Bank		76,053	43,495
LGFA Investment A/C		16,026	15,487
Balances per Cash Flow Statement		<u>92,079</u>	<u>58,982</u>

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

Net Surplus (Deficit)		(493,047)	(207,829)
Non-cash items in Income Statement			
Depreciation, amortisation & impairment		7,395	7,395
Add (Less): Changes in Net Current Assets			
Net increase (decrease) in trade & other payables		(11,322)	13,537
Net increase (decrease) in other provisions		321,000	17,000
Net (increase) decrease in other assets		(929)	1,646
Net Cash provided by (or used in) operations		<u>(176,903)</u>	<u>(168,251)</u>



## Highbury Landfill Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 8 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

##### PERFORMANCE GUARANTEE

The Authority has provided the following performance guarantee to the following entity:

Environment Protection Authority **\$25,000**

The Highbury Landfill site is managed in accordance with an approved risk management plan that has been incorporated into the EPA licence for the site. The EPA guidelines indicate an initial 25 year period for the post-closure over this period. The NPV calculation is the Highbury Landfill Authority's best estimate of the cash outflows over this period to maintain a satisfactory risk profile for the site and adhere to the EPA licence.

If however, the risk profile changes on the site then the Authority will be required to expend significant money to restore a satisfactory risk profile that has not been included in the provision. Similarly if steady state conditions on the site are not reached at the end of the 25 year period then the Authority will need to incur additional expenditure to manage the site and these costs are not included in the post-closure provision.



## Highbury Landfill Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 9 - FINANCIAL INSTRUMENTS

All financial instruments are categorised as *loans and receivables*.

#### Accounting Policies - Recognised Financial Instruments

<b>Bank, Deposits at Call, Accounting Policy:</b> Carried at lower of cost and net realisable value; interest is recognised when earned.
<b>Short Term Deposits</b>
Terms & conditions: Deposits are returning fixed interest rates between 2.0% and 2.4% (2014: 2.5% and 2.75%).
Carrying amount: approximates fair value due to the short term to maturity.
<b>Receivables - Fees &amp; other charges</b>
<b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.
Terms & conditions: Unsecured, and do not bear interest. Although Council is not materially exposed to any individual debtor, credit risk exposure is concentrated within the Council's boundaries.
Carrying amount: approximates fair value (after deduction of any allowance).
<b>Liabilities - Creditors and Accruals</b>
<b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.
Terms & conditions: Liabilities are normally settled on 30 day terms.
Carrying amount: approximates fair value.

#### Liquidity Analysis

2015	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	92,079	-	-	92,079	92,079
Receivables	4,234	-	-	4,234	4,234
<b>Total</b>	<b>96,313</b>	<b>-</b>	<b>-</b>	<b>96,313</b>	<b>96,313</b>
<b>Financial Liabilities</b>					
Payables	7,169	-	-	7,169	7,169
<b>Total</b>	<b>7,169</b>	<b>-</b>	<b>-</b>	<b>7,169</b>	<b>7,169</b>
<b>Net Inflow (Outflow)</b>	<b>89,144</b>	<b>-</b>	<b>-</b>	<b>89,144</b>	<b>89,144</b>

2014	Due < 1 year	Due > 1 year; ≤ 5 years	Due > 5 years	Total Contractual Cash Flows	Carrying Values
<b>Financial Assets</b>	\$	\$	\$	\$	\$
Cash & Equivalents	58,982	-	-	58,982	58,982
Receivables	3,305	-	-	3,305	3,305
<b>Total</b>	<b>62,287</b>	<b>-</b>	<b>-</b>	<b>62,287</b>	<b>62,287</b>
<b>Financial Liabilities</b>					
Payables	18,491	-	-	18,491	18,491
<b>Total</b>	<b>18,491</b>	<b>-</b>	<b>-</b>	<b>18,491</b>	<b>18,491</b>
<b>Net Inflow (Outflow)</b>	<b>43,796</b>	<b>-</b>	<b>-</b>	<b>43,796</b>	<b>43,796</b>

#### 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 allowance for doubtful debts. All authority investments are made with the SA Local Government Finance Authority and are guaranteed by the SA Government. Except as detailed in Notes 4 in relation to individual classes of receivables, exposure is concentrated within the Authority's boundaries, and 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.

## Highbury Landfill Authority

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015

#### Note 10 - UNIFORM PRESENTATION OF FINANCES

The following is a high level summary of both operating and capital investment activities of the Council prepared on a simplified Uniform Presentation Framework basis.

All Councils in South Australia have agreed to summarise annual budgets and long-term financial plans on the same basis.

The arrangements ensure that all Councils provide a common 'core' of financial information, which enables meaningful comparisons of each Council's finances

	2015 \$	2014 \$
Income	7,458	1,255
<i>less</i> Expenses	<u>500,505</u>	<u>209,084</u>
<b>Operating Surplus / (Deficit)</b>	<b>(493,047)</b>	<b>(207,829)</b>
<i>less</i> <b>Net Outlays on Existing Assets</b>		
Depreciation, Amortisation and Impairment	7,395	7,395
<b>Net Lending / (Borrowing) for Financial Year</b>	<b><u>(500,442)</u></b>	<b><u>(215,224)</u></b>



## **Highbury Landfill Authority**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
for the year ended 30 June 2015**

### **Note 11 - EVENTS OCCURRING AFTER REPORTING DATE**

There were no events subsequent to 30 June 2015 that need to be disclosed in the financial statements.

## **Highbury Landfill Authority**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2015**

#### **Note 12 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED**

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position but knowledge of those items is considered relevant to user of the financial report in making and evaluating decisions about the allocation of scarce resources.

##### **1. POTENTIAL INSURANCE LOSSES**

The Authority insures against all known insurable risks using a range of insurance policies, each of which is subject to a deductible "insurance excess", the amount of which varies according to the class of insurance.

The Authority has recognised the potential losses arising from claims known at reporting date based on average historical net cost (including insurance excess) of similar types of claims. Other potential claims not reported to the Authority may have existed at reporting date.

##### **2. LEGAL EXPENSES**

All known costs have been recognised.



# HIGHBURY LANDFILL AUTHORITY

## ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 June 2015

### CERTIFICATION OF AUDITOR INDEPENDENCE

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Highbury Landfill Authority for the year ended 30 June 2015, the Authority's Auditor, Dean Newbery & Partners, 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*.

  
.....  
Trevor Hockley  
CHIEF EXECUTIVE OFFICER

  
.....  
Cr John Minney  
PRESIDING MEMBER  
AUDIT COMMITTEE

Date: 21 September 2015

**Auditor's Independence Declaration under Section 22 of the Local Government  
(Financial Management) Regulations 2011 to the Highbury Landfill Authority.**

I confirm that, for the audit of the financial statements of the Highbury Landfill Authority for the year ended 30 June 2015, 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*.



**SAMANTHA ALLARD**  
**PARTNER**

Signed on the 23<sup>rd</sup> day of September 2015,  
at 214 Melbourne Street, North Adelaide, South Australia 5006.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE Highbury Landfill Authority

We have audited the accompanying financial report of the Highbury Landfill Authority, which comprises the Statement of Financial Position as at 30 June 2015 and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the Certification of Financial Statements.

### *The Responsibility of the Executive Officer for the Financial Report*

The Executive Officer of the Highbury Landfill Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud and error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Executive Officer, as well as evaluating the overall presentation of the financial report.

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

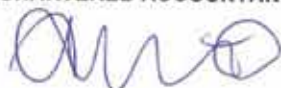
### **Independence**

In conducting our audit, we have complied with the independence requirements of the Local Government Act 1999 and Local Government (Financial Management) Regulations 2011 and the Australian professional ethical pronouncements.

### **Auditor's Opinion**

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Highbury Landfill Authority as of 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and the Australian Accounting Standards (including Australian Accounting Interpretations).

**DEAN NEWBERY & PARTNERS**  
CHARTERED ACCOUNTANTS



**SAMANTHA ALLARD**  
PARTNER

Signed on the 23<sup>rd</sup> day of September 2015,  
at 214 Melbourne Street, North Adelaide, South Australia 5006.

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