

Board Meeting Agenda

Date: 25/06/2020

Time: 4.00pm

Venue: NAWMA Boardroom: 71-75 Woomera Avenue, Edinburgh Park

1. Present

2. Apologies

3. Disclosure of Conflicts

Conflicts of Interest

That all members of the Board declare that they have read and considered all papers circulated within this agenda and had no known conflict of interest or potential conflict of interest with respect to those matters. If a conflict becomes apparent during discussion, then the member will declare at that time.

Confidentiality Statement

Members of the Board are reminded of their obligations under Clause 7.4.15 of the NAWMA Charter to keep confidential documents and any information provided to them on a confidential basis for their consideration prior to a meeting of the Board, until such time as these matters have been considered and the Board determines that they are appropriate to be released to the public generally.

4. Confirmation of Minutes

Recommended: That the Minutes of the Joint Northern Adelaide Waste Management Authority Audit Committee and Board Meeting held on Thursday, 14 May 2020 be received, confirmed and adopted (Appended at 4.1).

Recommended: That the Minutes of the Northern Adelaide Waste Management Authority Audit Committee Meeting held on Thursday, 18 June 2020 be received and noted (Minutes to be tabled at Board Meeting).

5. Matters Arising From The Minutes

- 5.1. Capital Works Program Summary (standing item)
- 5.2. Action List (standing item)
- 5.3. LGRS 2019 Risk Evaluation Action Plan (standing item)
- 5.4. Board Self-Assessment
- 5.5. Research Road (Pooraka) Transfer Station Lease update
- 5.6. Policy Updates

6. Briefing Items

- 6.1. Landfill Alternative Project (Confidential)

7. Questions Without Notice

8. Confidential Items

- 8.1. COAG Export Bans (Fibre EOI)
- 8.2. Operational Report

9. NAWMA Management and Administration Report

Reports for Decision

- 9.1. Draft 2020/2021 Budget and Annual Business Plan
- 9.2. Budget Review Three (3)
- 9.3. Constituent Council Service Level Agreements
- 9.4. CEO Performance and Development Committee Report

Reports for Information

- 9.5. FY20 Interim Audit update
- 9.6. Audit Committee Independent Member update
- 9.7. 2019/2020 Annual Business Plan progress report
- 9.8. WHS Steering Committee Minutes

10. Other Business

- 10.1. Advocacy (verbal update only)
- 10.2. Edinburgh North Insurance (verbal update only)

11. Next Meeting of the Board

The next meeting of the Board is Thursday 10 September 2020 in the NAWMA Boardroom (71-75 Woomera Avenue, Edinburgh Park)





Minutes of the Meeting of the Joint Meeting of the Board and Audit Committee of Northern Adelaide Waste Management Authority

Date: 14/05/2020

Time: 4.03pm

Venue: Videoconference via Zoom

Welcome

1. PRESENT

Mr Brian Cunningham	Independent Chairperson
Mr Sam Green	City of Playford
Cr Shirley Halls	City of Playford
Cr Clint Marsh	City of Playford (Deputy)
Mr Charles Mansueto	City of Salisbury
Cr Julie Woodman	City of Salisbury
Cr Graham Reynolds	City of Salisbury
Mr Henry Inat	Town of Gawler
Cr Paul Koch	Town of Gawler
Cr Paul Little	Town of Gawler
Mr Peter Brass	Audit Committee Independent Chairperson
Mr Mark McAllister	Audit Committee Independent Member
Mr Mark Labaz	Audit Committee Independent Member

2. IN ATTENDANCE

Mr Adam Faulkner	Chief Executive Officer
Mr Danial Dunn	Chief Operations Officer
Mrs Rachel Zhou	Finance Manager
Mrs Amy Hosking	Executive Assistant

APOLOGIES

Ms Grace Pelle	City of Playford
Cr Diane Fraser	Town of Gawler (Deputy)

Mr Mansueto attended the meeting at 4.04pm

Mr Inat attended the meeting at 4.04pm

3. DISCLOSURE OF CONFLICTS

Declaration of the following;

Conflicts of Interest

That all members of the Board declare that they have read and considered all papers circulated within this agenda and had no known conflict of interest or potential conflict of interest with respect to those matters. If a conflict becomes apparent during discussion, then the member will declare at that time.

Mr Brass and Mr Labaz declared a perceived conflict on Agenda Item 8.5 due to their positions on the City of Playford Corporate Governance Committee and would manage these conflicts by not participating in the discussion.



Confidentiality Statement

Members of the Board and Audit Committee are reminded of their obligations under Clause 7.4.15 of the NAWMA Charter to keep confidential documents and any information provided to them on a confidential basis for their consideration prior to a meeting of the Board and Audit Committee, until such time as these matters have been considered and the Board determines that they are appropriate to be released to the public generally.

4. CONFIRMATION OF MINUTES

Moved Cr Woodman that the Minutes of the Northern Adelaide Waste Management Authority Board and Audit Committee Meeting held on Thursday, 27 February 2020 be received, confirmed and adopted.

Seconded Cr Halls

Carried

Moved Cr Woodman that the Circular Resolution of the Northern Adelaide Waste Management Authority Board distributed on Friday, 13 March 2020 and passed on Thursday, 19 March 2020 be received, confirmed and adopted

Seconded Cr Halls

Carried

Moved Mr Labaz that the Minutes of the Northern Adelaide Waste Management Authority Audit Committee held on Thursday, 20 February 2020 be received, confirmed and adopted by the Audit Committee

Seconded Cr Reynolds

Carried

Moved Cr Woodman that the Minutes of the Northern Adelaide Waste Management Authority Audit Committee held on Thursday, 20 February 2020 be received and noted by the Board

Seconded Cr Halls

Carried

5. MATTERS ARISING FROM THE MINUTES

5.1. Capital Works Program Summary (standing item)

Moved Cr Little that the Report is received and noted.

Seconded Cr Reynolds

Carried

6. QUESTIONS WITHOUT NOTICE

Nil

7. CONFIDENTIAL ITEMS

7.1. Landfill Alternative Project

1. Moved Mr Mansueto that the Northern Adelaide Waste Management Authority Board and Audit Committee recommend that pursuant to Section 90(2) and (3) of the Local Government Act 1999, the Northern Adelaide Waste Management Authority orders that the public, with exception of the Northern Adelaide Waste Management Authority staff present, be excluded from the meeting on the basis that the Northern Adelaide Waste Management Authority Board and Audit Committee will receive, discuss and consider:

(d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- (ii) would, on balance, be contrary to public interest;

And the Northern Adelaide Waste Management Authority Board and Audit Committee is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the report and discussion confidential

Seconded Cr Woodman

Carried



2. Moved Mr Inat that the Report is received and noted
Seconded Cr Halls **Carried**

3. Moved Cr Little that under Section 91(7) and (9) of the Local Government Act 1999 the Northern Adelaide Waste Management Authority Board and Audit Committee orders that the report and discussion be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed
Seconded Cr Woodman **Carried**

4. Moved Cr Halls that the meeting moves out of confidence
Seconded Cr Woodman **Carried**

7.2. Conflict of Interest – Legal Advice

1. Moved Cr Halls that the Northern Adelaide Waste Management Authority Board and Audit Committee recommend that pursuant to Section 90(2) and (3) of the Local Government Act 1999, the Northern Adelaide Waste Management Authority orders that the public, with exception of the Northern Adelaide Waste Management Authority staff present, be excluded from the meeting on the basis that the Northern Adelaide Waste Management Authority Board and Audit Committee will receive, discuss and consider:

(h) legal advice

And the Northern Adelaide Waste Management Authority Board and Audit Committee is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the report and discussion confidential

Seconded Cr Woodman **Carried**

2. Moved Mr Green that the Report is received and noted
Seconded Cr Halls **Carried**

3. Moved Mr Green that under Section 91(7) and (9) of the Local Government Act 1999 the Northern Adelaide Waste Management Authority Board and Audit Committee orders that the report and discussion be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed
Seconded Cr Little **Carried**

4. Moved Cr Woodman that the meeting moves out of confidence
Seconded Cr Halls **Carried**

7.3. Operational Report

1. Moved Cr Reynolds that the Northern Adelaide Waste Management Authority Board and Audit Committee recommend that pursuant to Section 90(2) and (3) of the Local Government Act 1999, the Northern Adelaide Waste Management Authority orders that the public, with exception of the Northern Adelaide Waste Management Authority staff present, be excluded from the meeting on the basis that the Northern Adelaide Waste Management Authority Board and Audit Committee will receive, discuss and consider:

(d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and
- (ii) would, on balance, be contrary to public interest;

And the Northern Adelaide Waste Management Authority Board and Audit Committee is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the report and discussion confidential

Seconded Cr Halls **Carried**



2. Moved Cr Halls that the Report is received and noted.

Seconded Cr Woodman **Carried**

3. Moved Mr Inat that under Section 91(7) and (9) of the Local Government Act 1999 the Northern Adelaide Waste Management Authority Board and Audit Committee orders that the report and discussion be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed

Seconded Mr Mansueto **Carried**

4. Moved Cr Woodman that the meeting moves out of confidence

Seconded Cr Koch **Carried**

8. NAWMA MANAGEMENT AND ADMINISTRATION REPORT

Reports for Decision

8.1. Draft Annual Business Plan 2020/2021

Moved Cr Woodman that the Board and Audit Committee authorise the Draft 2020/2021 Annual Business Plan to be distributed to Constituent Councils for review, consideration and endorsement.

Seconded Cr Halls **Carried**

8.2. 2019/2020 Budget Review Two (2)

Moved Mr Inat that the Audit Committee endorse, and the Board adopt Budget Review Two (BR2) financial reports for the 2019/2020 financial year and Management be instructed to distribute Budget Review Two (BR2) to Constituent Councils.

Seconded Mr Mansueto **Carried**

8.3. Long Term Financial Plan

Moved Mr Green that the Board and Audit Committee authorise the key assumptions (Section 2) projected in the Long Term Financial Plan, and that the Board and Audit Committee acknowledge that ongoing reviews and updates will be undertaken by NAWMA's Administration along with Annual Budget, Annual Business Plan and other statutory Budget Reviews.

Seconded Mr Mansueto **Carried**

8.4. Draft Treasury Management Policy

Moved Cr Reynolds that the Board and Audit Committee instruct NAWMA's Administration to bring back a final draft Treasury Management Policy for consideration, endorsement and adoption at the scheduled June 2020 meetings.

Seconded Cr Koch **Carried**

8.5. FOGO Discussion

Moved Cr Reynolds that the Board endorse the position of removing the price point in the forward years (commencing 2021/2022) for the household Food Organic Garden Organic service, and the Board authorise the Chief Executive Officer to commence consultation with Constituent Councils on the pass-through costs, funding models, and forecast savings.

Seconded Cr Woodman **Carried**

8.6. Vacant Land Disposal

Moved Cr Woodman that the Board endorse NAWMA's Chief Executive Officer to investigate the possible sale of the vacant land known as 3304, CT Volume 5330, Folio 351, with a Report to be tabled at a subsequent Board Meeting

Seconded Mr Mansueto **Carried**

Mr Inat, Cr Koch and Cr Little left the meeting at 5.50pm and did not return



8.7. Audit Committee Member Terms and Terms of Reference Update

Moved Cr Woodman that:

1. The current terms of the Independent Members of the Audit Committee are extended to June 30 2020,
2. The Chief Executive Officer be authorised to advertise the three (3) Independent Member vacancies with terms to commence 1 July 2020, and;
3. The Audit Committee Terms of Reference updates are received, noted and adopted.

Seconded Cr Halls

Carried

Reports for Information

8.8 Service Level Agreements

Moved Cr Woodman that the Report is received and noted.

Seconded Cr Halls

Carried

8.9. LGRS Action Plan (standing item)

Moved Cr Halls that the Report is received and noted, and the Board continue to be updated on the progress of the Action Plan

Seconded Mr Mansueto

Carried

8.10. 2019/2020 Annual Business Plan Progress

Moved Cr Woodman that the Report is received and noted.

Seconded Cr Marsh

Carried

8.11. WHS Steering Committee Minutes

Moved Cr Marsh that the Report is received and noted.

Seconded Cr Halls

Carried

9. OTHER BUSINESS

9.1. Advocacy

Verbal update only

9.2. Documents for Board

NAWMA Chief Executive Officer informed the Board that two (2) documents would be accompanying the Minutes of this meeting when distributed, (1) Board Self-Assessment Evaluation Questionnaire for completion and (2) Related Party Disclosure forms as NAWMA's Key Management Personnel for legislative requirements.

10. NEXT MEETING OF THE BOARD

The next meeting of the Board is to be held on Thursday 25 June 2020 at 4.00pm at NAWMA Boardroom: 71-75 Woomera Avenue, Edinburgh Park (should restrictions be lifted)

The next meeting of the Audit Committee is to be held on Thursday 18 June 2020 at 8.00am in Brian Cunningham's Boardroom; Level 11/175 Pirie Street, Adelaide (should restrictions be lifted)

11. CLOSURE OF THE MEETING

The meeting closed at 5.57pm



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Agenda Item 5.1

Report Subject:	Capital Works Program Summary	Report Author:	Chief Executive Officer
Meeting Date:	25 June 2020	Report Type:	Information report (finance, governance)
Attachments:	Nil		

RECOMMENDATION

That the Report is received and noted.

Purpose of the Report

To provide the Board with a summary of the forecast Capital and Operational Improvement Projects using a Multicriteria Analysis scorecard.

Background

NAWMA is in a period of significant growth and change. Through the implementation of NAWMA's adopted Strategic Plan 2018-2025 and other Board Resolutions, in addition to some operational requirements, there are 10 significant projects that are either being implemented, being investigated/modelled, or are future capital improvements.

It is hoped that this Report gives the Board a better understanding of the whole-of-NAWMA picture in order to critically assess the Authorities financial position and risk appetite.

Report

The scoring and priority of the projects have remain unchanged, however the three (3) Material Recovery Facility Projects, and the Education Centre (Woomera) have been completed and commissioned, and therefore removed from the Summary as reproduced below.

As per the previous Board Report, the Uleybury Eastern Expansion opportunity will not progress.

The Pooraka Upgrade has progressed to a final design, Fleetmax hardware has been installed on the collection fleet and the program will operationally rollout from 1 July 2020, and the Landfill Alternative Project has progressed to the formation of a Special Purpose Vehicle. A Pilot FOGO Study has been completed with City of Playford with a Workshop held with Constituent Councils on 11 June 2020. Only the Pooraka Repair/Revolve Community Centre remains as the project that has not advanced.

NAWMA's Management are pleased with the progress of the projects.

A formal review of NAWMA's Strategic Plan 2018-2025 will be undertaken in July/August 2020, where an updated set of projects will be outlined. However given the immense capital expenditure over the past 48 months, it is likely that operational efficiencies will dominate the updated MCA.

A summary of the Project Description, MCA Score, Ranking, and Status is provided in Table 1 overleaf.

Table 1: Summary of Multicriteria Analysis and Weighted Score Ranking (1 = highest score priority)

Project Description	MCA Overall Scores	MCA Weighted Score Ranking	Status
1. Kerbside Food Organics Garden Collection (FOGO) Rollout	52	7	Pilot Study completed and Constituent Council Workshop held 11 June 2020
2. MRF Robotics	65	2	completed
3. MRF Glass Recovery	70	1	completed
4. Pooraka Upgrade	43	9	Final Design completed
5. Uleybury Eastern Expansion	22	10	Not progressing
6. Education Centre (Woomera)	55	4	Completed
7. Landfill Alternative Diligence	54	5	Special Purpose Group formed
8. Fleetmax	49	8	Hardware installation complete and program rolling out from 1 July 2020
9. Repair/Revolve Community Centre (Pooraka)	53	6	Future improvement opportunity
10. MRF Expansion	61	3	completed



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Agenda Item 5.2

Report Subject: Action List (standing item) **Report Author:** Chief Executive Officer

Meeting Date: 25 June 2020 **Report Type:** Information report (governance)

Attachments: 5.2.1 – Board Action List

RECOMMENDATION

That the Report is received and noted

Purpose of the Report

To provide the Board with an opportunity to view the current Action List, a record of required actions raised at Board level.

Background

This is standing Agenda Item.

The list is updated with actions from each meeting of the Board, with completed actions from previously viewed Action List archived.

Report

The updated Action List Summary to include both February and May 2020 actions is seen at Table 01 below. The detailed Action List is appended for the information of the Board at Attachment 5.2.1.

Table 01: Updated Action List Summary

NAWMA Board Actions				
Risk Category	To be started	In Progress	Completed	Total Items
High		1	4	5
Moderate		4	7	11
Low			7	7
N/A		2	4	6
TOTAL	0	7	22	29

	Meeting Date	Agenda Item No.	Agenda Item Title	Risk Rating	Task	Responsible Officer	Target Date	Status	Comments
4	21-Nov-19	7.2	EPA Correspondence	Moderate	Satisfactory disclosure agreement to be executed	CEO	ASAP	In Progress	
5	21-Nov-19	7.2	EPA Correspondence	Moderate	Compensation to NAWMA to be approved by EPA	CEO	ASAP	In Progress	
6	21-Nov-19	7.2	EPA Correspondence	Moderate	NAWMA's review of the draft public report prior to release	CEO	When report completed	In Progress	NAWMA have had written assurance from Acting EPA CEO that this will occur in March 2020
13	21-Nov-19	8.3	FOGO Modelling	N/A	Discussions to be commenced with Constituent Councils on the removal of the price point for the opt-in FOGO service	CEO/COO	ASAP	In Progress	Workshop held on 11 June 2020 with Constituent Council Operation contacts. Position progressing.
17	27-Feb-20	5.2	Research Road RRF; gate fees	High	Write to City of Salisbury outlining NAWMA's position and offer presentation to Council	CEO	ASAP	Complete	CEO wrote to City of Salisbury CEO on 11 March 2020
18	27-Feb-20	7.1	Landfill Alternative Project	Moderate	Amend SPV Terms of Reference 'Authorities of Group' section to reflect appropriate level of authority	CEO	ASAP	Complete	Terms of Reference updated
19	27-Feb-20	7.1	Landfill Alternative Project	Moderate	Write to State and Federal Government regarding potential funding for the project	CEO	ASAP	Complete	State and Federal Governments contacted. Update to be provided at 25 June 2020 Board Meeting.
20	27-Feb-20	7.2	RFT 2020/01 Bulk Transport	High	Execute Bulk Transport Contract	CEO/EA	ASAP	Complete	Contract executed and ready for commencement at 1 July 2020
21	27-Feb-20	8.1	Draft 2020/2021 Budget	Low	Cash flow modelling and interest costs to be circulated to Board	CEO/FM	ASAP	Complete	Distributed to Board via email on 13 March 2020
22	27-Feb-20	8.3	LGRS 2019 Risk Evaluation Plan and Resourcing	Moderate	Write to LGRS to ask for assistance in funding WHS consultant/resource	CEO	ASAP	Complete	CEO wrote to LGRS on 30 March 2020. Funding assistance received.
23	27-Feb-20	8.6	Confidential Items Register	High	Updated register to be circulated to Board for information	CEO/EA	ASAP	Complete	Distributed to Board via email on 13 March 2020
24	14-May-20	7.3	Operational Report	N/A	Whole of NAWMA tour to be organised for Board Directors and Audit Committee members	CEO/EA	As soon as practicable	In Progress	Tentative date set for 10 September 2020 (pre scheduled Board Meeting)
25	14-May-20	8.1	Draft Annual Business Plan 2020/2021	Low	Draft Annual Business Plan to be distributed to Constituent Councils for review	CEO	ASAP	Complete	Distributed to Constituent Councils via email and hard copy on 21 May 2020
26	14-May-20	8.4	Draft Treasury Management Policy	Moderate	Make amendments to 'Authority to Borrow' section - including endorsement from Audit Committee and exclusion from CAD	FM	ASAP	In Progress	Draft Policy updated and presented to Audit Committee at June Meeting. Policy to be further amended and re-presented to Audit Committee and Board
27	14-May-20	8.6	Vacant Land Disposal	High	Consider strategic opportunities for land and increase justification for sale before returning report to future Board Meeting	CEO/FM	When available	In Progress	Report to be presented at scheduled September 2020 Board Meeting
28	14-May-20	8.7	Audit Committee Member Terms and Terms of Reference Update	Moderate	Write to Independent Members and advise terms are extended to 30 June 2020	CEO/EA	ASAP	Complete	Letters distributed via email to Independent Members on 19 May 2020
29	14-May-20	8.7	Audit Committee Member Terms and Terms of Reference Update	Moderate	Advertised Independent Member vacancies with terms to commence 1 July 2020	CEO/EA	ASAP	Complete	Advertising undertaken. Update report to be presented to 25 June 2020 Board Meeting



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Agenda Item 5.3

Report Subject:	LGRS Action Plan (standing item)	Report Author:	Chief Executive Officer
Meeting Date:	25 June 2020	Report Type:	Information report (governance, operational, risk)
Attachments:	5.3.1 – NAWMA 2019-20 Risk Evaluation Action Plan Progress Report		

RECOMMENDATION

That the Report is received and noted, and the Board continue to be updated on the progress of the Action Plan.

Purpose of the Report

To provide the Board with an opportunity to review the Local Government Association Workers Compensation Scheme (LGAWCS) and Mutual Liability Schemes (LGAMLS) 2019-2020 Risk Evaluation Action Plan and discuss the resourcing for NAWMA's WHS function.

Background

NAWMA became a Full Member of the LGAWCS and LGAMLS as at 1 July 2019.

At the meeting of 21 November 2019, the joint sitting of the NAWMA Audit Committee and Board were presented with a copy of the LGAWCS/LGAMLS 2019 Risk Evaluation Summary Report after NAWMA took part in their first formal audit in August 2019.

The 2019 Risk Evaluation review identified many non-conformances, which is not uncommon for the first audit under the Scheme. NAWMA are using the findings from the evaluation to prioritise what needs to be done to move NAWMA to a conforming system and inform the next two (2) years of our WHS and Risk work program.

In consultation with the Scheme's WHS Consultant and Strategic Risk Consultant, NAWMA's WHS and Environmental Officer has developed an Action Plan to review, monitor and complete the actions required.

The proposed Action plan currently has 40 WHS actions followed by 34 Risk actions, currently 8 risk actions along with the 40 WHS Actions proposed to be completed by 30 September 2020. The remaining risk and WHS actions will be allocated to the following year prior to NAWMA's next evaluation.

Report

NAWMA's WHS & Environmental Officer has continued to make good progress with the Action Plan, to date two (2) of the eight (8) planned Risk Actions and twenty-five (25) of the forty (40) planned WHS Actions have been closed out.

The external resource (WHS Consultant) has continued with the implementation, development, and population of data onto the WHS platform, Skytrust. To date workplace inspections have been



populated and completed and actions from the inspections have been allocated to the relevant staff for remedial completion. The Workplace Inspection calendar has been reviewed and schedules set in Skytrust for all following inspections.

Population of contractors and preferred suppliers into the Contractor Management system has been uploaded on 29 May 2020, Contractors/preferred suppliers have been risk rated and an email request has been sent to all High Risk rated contractors to provide NAWMA with their up to date WHS management systems confirmation and compliance to NAWMA's WHS requirements.

NAWMA has applied and been successful in obtaining back to back LGAWCS Tailored Implementation Programs (TIPs) of 20 days. This includes the provision of a consultant to deliver Hazard Management training, development of NAWMA's Training Needs Analysis, Training Plan and Training Register. Risk Assessment, Incident and Investigation, ChemAlert and Hazard Management Training is currently underway. Training Needs Analysis', Workplace Training Schedules and Task Risk Assessments are currently being populated and reviewed during the training process.

Risk actions were tabled at a special Senior Management Team meeting to discuss internal resourcing requirements to assist the WHS and Environmental Officer with the remaining 2020 planned risk actions. It was agreed by all that an external expert in the Business Risk field would be required to assist NAWMA in implementing the actions from the evaluation. On 2 June 2020 an email request was sent to an external Consultant to gauge their interest in assisting NAWMA with our Business Risk portfolio and we are working with this Consultant to tailor a scope of works for the project. As per Board Resolution of 27 February 2020 this was done in conjunction with Adelaide Hills Council.

A copy of the Action Plan is appended at Attachment 5.3.1. for the reference of the Board.



NAWMA 2019-20 Risk Evaluation Action Plan Progress Report

Version No: 1.4
Issued: Feb-19
Next Review: Aug-20

Dated	NAWMA		Monitoring Report for the month of: May	Name, Date and Version No of NAWMA approved Plan		Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20		Total	
31/05/2020																				
<p><i>Please note: The close out date for the completion of 2019-2020 actions is 30th September 2020.</i></p> <p><i>Applications for extensions must be provided to the LGAWCS WHS and Risk Manager, outlining why special consideration should be given.</i></p> <p>Shows when action is planned</p> <p>Shows when a planned action was completed (as planned)</p> <p>Shows when a planned action was completed but outside of the scheduled completion date (i.e. prior to or after due date)</p>						Planned	1	0	2	0	5	6	1	8	10	4	3	0		40
						Completed	1	0	2	0	5	6	1	8	1	0	0		24	
						Planned YTD	1	1	3	3	8	14	15	23	33	37	40	40		
						Completed YTD	1	1	3	3	8	14	15	23	24	24	24	24		
							100%	100%	100%	100%	100%	100%	100%	100%	100%	73%	65%	60%	60%	
Evaluation Score	Sub-Element or Procedural Validation Reference	Due	Evaluation Finding	Action Agreed	Progress / Evidence	Responsible Person	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20		
WORK HEALTH AND SAFETY																				
NC	1.2.1		It is recommended to set up the policies and procedures and have effective implementation.	Develop an Implementation process flow checklist	Developed Checklist V1 Dec 2019	WHS & Environmental Officer and			C											
			Is there a document register for the management of policies and procedures - will this be done in SkyTrust??	Develop an Implementation process flow checklist for Document Management	Completed Checklist for Document Management - Dec 2019	WHS & Environmental Officer and			C											
				Develop an Implementation process flow checklist for Induction & Training Procedure	Completed Checklist for Document Management - Feb 2020	WHS & Environmental Officer and					C									
				Develop an Implementation process flow checklist for Consultation & Communication	Completed Checklist for Document Management - Feb 2020	WHS & Environmental Officer and					C									
				Develop an Implementation process flow checklist for Hazard Management	Completed Checklist for Document Management - Feb 2020	WHS & Environmental Officer and					C									
				Develop an Implementation process flow checklist for Incident Reporting and Investigation Procedure	Completed Checklist for Document Management - Feb 2020	WHS & Environmental Officer and					C									
				Develop an Implementation process flow checklist for Preventative & Corrective Actions Procedure	Completed Checklist for Document Management - March 2020	WHS & Environmental Officer and						C								
				Develop an Implementation process flow checklist for First Aid Procedure	Completed Checklist for Document Management - March 2020	WHS & Environmental Officer and						C								
				Develop an Implementation process flow checklist for Planning & Program Development Procedure	Completed Checklist for Document Management - Feb 2020	WHS & Environmental Officer and LGAWCS WHS Consultant						C								
				Develop an Implementation process flow checklist for Workplace Inspection Procedure	Completed Checklist for Document Management - March 2020	WHS & Environmental Officer and LGAWCS WHS Consultant							C							
NC	3.2.1		With the development of the Skytrust program determine training needs of workers in consultation with affected workers and labour hire providers, where appropriate. Develop the training plan as per s4.3 of the WHS Induction and Training Procedure. In addition to a implementing a documented process for following up on non-attendance attendance, evaluation, gaps in learning and effectiveness of implementation of training provided.	Develop Training Needs Analysis utilising e.g. Job Descriptions, Hazard Register, Consultation with Supervisors & Managers, WHS Induction & training Procedure, legislative requirements etc.		WHS & Environmental Officer and LGRS									P					
				Develop Training Plan in skytrust utilising e.g. TNA		WHS & Environmental Officer and external WHS Consultant									P					
				Develop Training Register in skytrust (records) including Licences, Certificates, Attendance register and Non Attendances of training.		WHS & Environmental Officer and external WHS Consultant									P					
				Develop a Training Evaluation form contact Councils for examples	Developed a training Evaluation Form in Skytrust 30/4/2020	WHS & Environmental Officer							C							
				Develop/source Training Awareness sessions for e.g.Hazard Management, First Aid, Incident Investigation		WHS & Environmental Officer and LGRS									P					
				Include Training as an Agenda Item for the WHS Steering Group Meetings on attendance & Non attendance.	Sighted (23/3/2020) WHS Steering Group minutes 27/3/2020 meeting number 53 Agenda	WHS & Environmental Officer							C							

NC	3.3.2		That NAWMA WHS Steering Committee review the Corrective and Preventative Action Procedure requirements and determine the actions necessary to develop a CAPA system either within (or outside) the Skytrust program. From this, measurements can be developed to determine completion of actions within designated responsibilities and analysis of review of Implementation of corrective action(s) within defined timeframes with which to hold individuals accountable. Review the responsibilities incorporated within the WHS Procedures, develop those responsibilities for inclusion in the Position Descriptions of key stakeholders. NAWMA implement a Development and Review process to determine if workers have met their designated responsibilities within the WHS system.	Review Position Descriptions to ensure WHS responsibilities are captured.		WHS & Environmental Officer and EA								P					
				Enter Corrective Actions into skytrust from e.g. WHS Steering Group Meetings, Investigations, Hazard Reports etc. and report back to Steering Group actions completed/outstanding on skytrust live	Sighted (23/3/2020) WHS Steering Group minutes 27/3/2020 meeting number 53 Agenda	WHS & Environmental Officer							C						
NC	3.8.1		Continue with the implementation of skytrust system. Continue with the development and implementation of the NAWMA Hazard Register. This needs to identify Tasks undertaken and plant used, the priority for undertaking risk assessments should then be identified and a schedule put in place to advise when the risk assessments will be undertaken. Undertake Risk assessments as per the schedule developed and identify suitable controls, based on the hierarchy of controls in consultation with workers and the WHS Steering Group. Implement controls developed and implement process for checking the effectiveness of controls and determine if other hazards have been introduced.	Review Documentation to ensure Risk Matrix in all documents and processes align.	Completed - Documentation has a standardised Risk Matrix - e.g. skytrust, Risk Assessments, Hazard Report Form	WHS & Environmental Officer	C												
				Undertake a Review of the Hazard Register and update as required to include identifying and prioritising Risk assessments		WHS & Environmental Officer and LGRS									P				
				Undertake Risk Assessment Training for key stakeholders and relevant staff.		LGRS								C					
				Develop a schedule for High priority Task Risk Assessments		WHS & Environmental Officer and LGRS									P				
				Undertake High Priority Task Risk Assessments		WHS & Environmental Officer and LGRS									P				
				Undertake Priority Safe Work Method Statements in skytrust for High Risk Construction work tasks.		WHS & Environmental Officer and LGRS									P				
				Include review of corrective actions in WHS Steering Group Agenda	Sighted Agenda for WHSSG Meeting 27/3/2020	WHS & Environmental Officer					C								
				Undertake a review of the NAWMA sites to develop Traffic Management arrangements for each location. e.g. Edinburgh Nth, Edinburgh Park, Pooraka, Uleybury Landfill. This will include designated walkways, traffic flow, signage, loading zones, etc		WGA external Traffic Management Consultant										P			
NC	3.8.3		Continue with the implementation of the Skytrust system, this will provide opportunity to determine relevant corrective action processes that should demonstrate consideration of the hierarchy of controls with corrective action measures reflecting highest level of control as reasonably practicable. When assessing outcomes of incidents and risk assessments at the WHS Steering Group, include reference to hierarchy of controls. This would help to identify temporary controls in addition to higher level controls that may require resource allocation. The rationale for utilising a particular control in preference to others should be evident.	Ensure HOC is included and applied in all documentation e.g TRA, SWMS, Hazard Reports, Risk Assessments during implementation	Developed TRA template 4/2020, hazard reports in Skytrust include HoC , SWMS template from WHS Legislation	WHS & Environmental Officer and LGRS							C						
NC	3.8.5		Review Plant and Chemical Management Procedures, progress processes for development and implementation of Plant and Chemical pre-purchase systems. Implement Chemalert system	Develop a Pre-Purchase Checklist for Plant & Equipment to demonstrate WHS considerations prior to purchase.	Developed pre-purchase checklist 25/3/2020	WHS & Environmental Officer					C								

NC	3.8.6		Continue with the implementation of the Skytrust system, this will allow NAWMA to develop a contractor register and applicable documentation. It will also provide reminders for when documentation expires. Develop a process for determining, based on the level of risk of the activities being undertaken by the contractor, a monitoring/inspection regime to monitor identified hazards, check that agreed controls are being implemented and corrective actions identified, documented, communicated and closed out. Evaluate and document the contractor's performance and develop a process for entry into the organisation's records management system.	Enter contractor information and documentation into Skytrust	1/6/2020 Contractor Management data uploaded into Skytrust by WHS Consultant. Risk rated contractors to determine applicable documentation and review progress on 9/6/2020 by WHS Consultant and WHS and Environmental Officer. Reviewed required contractor compliance documentation needed for engaging and reviewing contractors, 10/6/2020 sent request for contractor information to high risk rated contractors.	WHS & Environmental Officer and external WHS Consultant									C						
			Develop a process for determining, based on level of risk of the activities being undertaken by the contractor, a monitoring/inspection regime to monitor identified hazards, check that agreed controls are being implemented and corrective actions identified, documents, communicated and closed out.	Prioritised risk review of contractor activities and determination of any further documentation requirements. Risk rate contractors and develop an evaluation form to identify hazards that can be used to audit contractor performance (Carol Jansen WHS Consultant)		WHS & Environmental Officer and external WHS Consultant										P					
			Evaluate and document the contractor's performance and develop a process for entry into the organisation's records management system.	Development an evaluation and review process of contractors		WHS & Environmental Officer and external WHS Consultant										P					
NC	3.9.1		Develop an annual inspection schedule detailing all the locations to be inspected and the frequency of the inspections to be undertaken. Develop checklists for each of the areas to be inspected. Process for inspections to include review of findings of the previous inspection to determine if previously identified items have been closed out or effectively controlled and incident or hazard reports raised since the last inspection reviewed so that implementation and effectiveness of controls can be verified. The inspection checklist shall be signed by all members of the inspection team and dated. Manage the hazard in accordance with the requirements of the Hazard Management Procedure, including consultation with workers, undertaking a risk assessment of the hazard and identifying the CAPA controls required. Process to include informing all relevant persons about the control measures selected or implemented for workplace safety. Process to incorporate WHS Steering Group review of workplace inspection findings and direct action when required. Minutes shall record outcomes of discussion and actions undertaken.	Develop & create workplace inspections in skytrust for Edinburgh Nth, Edinburgh Park, Pooraka, Uleybury Landfill in consultations with stakeholders/workers	10/6/2020 Workplace Inspections now completed.	WHS & Environmental Officer and external WHS Consultant									C						
NC	3.9.1		Manage the hazard in accordance with the requirements of the hazard management procedure, including consultation with workers, undertaking a risk assessment of the hazard and identifying the CAPA controls required (CJ)	Risk assess actions that come out from workplace inspection and add to Actions list	9/6/2020 Added actions for leachate ponds inspection.	WHS & Environmental Officer and external WHS Consultant									C						
NC	3.9.1		Process to include informing all relevant persons about the control measures selected or implemented for workplace safety (CJ)	Create process and document	Completed	WHS & Environmental Officer and external WHS Consultant									C						
NC	3.9.1		Process to incorporate WHS Steering Group review of workplace inspection findings and direct action when required. Minutes shall record outcomes of discussion and actions undertaken.	Create process and document	9/6/2020 Reviewed workplace inspection schedule in Skytrust.	WHS & Environmental Officer and external WHS Consultant										P					
				Develop a schedule for Workplace inspections in skytrust	21/4/2020 Upload of legislative compliance register in Skytrust by WHS Consultant.	WHS & Environmental Officer and external WHS Consultant									C						
				Develop a compliance register in skytrust.		WHS & Environmental Officer and external WHS Consultant									C						
NC	4.1.1		Review the Targets and Performance Indicators contained in the WHS Plan to determine the information required to provide an analysis of progress in meeting them. Include objectives, targets and performance indicators contained within their WHS Plan and a quarterly agenda item on the WHS Steering Group. Review the requirements of the Planning and Program Development Procedure s4.5 to develop a process for annual review of WHS Plan.	Include into the WHS Steering Group agenda, objective, targets and performance indicators from WHS Plan with Programs as per the PSSI sub element 4.1.1		WHS & Environmental Officer												P			
NC	5.3.1		NAWMA develop and implement a change management process legislative, workplace and work practices change. Include change management as an agenda item on the WHS	Develop an annual WHS Management System Review which will include e.g. legislative updates, procedure reviews, review of WHS Plan with Programs 2017-2020, injury statistics etc. as per PSSI sub element 5.3.1		WHS & Environmental Officer and												P			

NC	3.3.1		Steering Group meetings.			LGAWCS WHS Consultant													
INJURY MANAGEMENT																			
NC	1.2.1		Job descriptions Scott Filsell and Amy Quintrell Executive Assistant do not contain reference to the relevant IRC / ICC responsibilities The IRC/ICC for NAWMA is Scott Filsell WHS Officer. The contingency person for the IRC/ICC is Amy Quintrell Executive Assistant. Update job/position descriptions for IRC / ICC personnel to incorporate relevant IRC / ICC responsibilities.	Update Position Descriptions to include references to the IRC/ICC responsibilities for the relevant IRC/ICC personnel.												P			

[illegible]

[illegible]

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Agenda Item 5.4

Report Subject:	Board Self-Assessment	Report Author:	Chief Executive Officer
Meeting Date:	25 June 2020	Report Type:	Information report (governance)
Attachments:	Nil		

RECOMMENDATION

That the Report is received and noted.

Purpose of the Report

To provide the Board with an update on the development of the Board Self-Assessment questionnaire to be distributed to all Board Directors, Deputy Directors and NAWMA Senior Management Team.

Background

At the conclusion of the 14 May 2020 Board Meeting NAWMA Management raised the prospect of a Board Self-Assessment Questionnaire to be distributed to Board Directors, Deputy Directors and NAWMA Senior Management Team for completion. The purpose of the questionnaire is to gain feedback and insight into the function, structure, and effectiveness of the Authority's governance as a whole, including the Independent Chairperson.

A similar self-assessment is currently undertaken annually by the NAWMA Audit Committee.

Report

NAWMA Management, in consultation with the Independent Chairperson, have worked to develop an appropriate Self-Assessment questionnaire. The development of the Self-Assessment questionnaire is nearing completion and Management intend to facilitate the questionnaire using Survey Monkey prior to the scheduled September 2020 NAWMA Board Meeting.

The questionnaire is planned to be distributed in W/C 29 June 2020 with survey results and feedback to be tabled in an Item presented to the Board at the scheduled 10 September 2020 Board Meeting.

There will be an opportunity for NAWMA Executive to provide their own assessment of the Board's effectiveness.

It is envisaged that the self-assessment will be conducted every 2-3 years.



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Agenda Item 5.5

Report Subject:	Research Road (Pooraka) Transfer Station Lease	Report Author:	Chief Executive Officer
Meeting Date:	25 June 2020	Report Type:	Information report (operational, governance)
Attachments:	5.5.1 – Copy of Fire Safety Report		

RECOMMENDATION

That the Report is received and noted, and the Board authorise the Chief Executive Officer to write to City of Salisbury highlighting the independent fire safety report and seeking an acknowledgement of the inherited risk and a contribution to remedy the site non-compliance.

Purpose of the Report

To provide the Board with an update on the negotiations relating to the Lease of Agreement with City of Salisbury and NAWMA for the Research Road (Pooraka) Resource Recovery Centre, and to bring to the Boards attention a potentially serious safety and financial risk.

Background

Following a series of correspondence between City of Salisbury and NAWMA, it was agreed that in good faith negotiations would commence on the Lease of Agreement.

An amended Lease of Agreement was drafted citing three (3) material points of difference, being;

1. A fixed monthly rental based on an independent market evaluation, to replace the hindering current rental mechanism that is linked to revenue
2. Removing the bespoke commercial elements from the Lease of Agreement, so that it more closely aligns with a typical lease of agreement
3. Ironing out the mechanism for dealing with, and approving the gate fees (including through the Budget Review Process)

The Draft Lease of Agreement (as amended) was provided to City of Salisbury in April 2020, and it is understood that Council Executive are making arrangements for the amended document to be tabled at a subsequent Council Meeting.

Concurrently, NAWMA has been finalising the site upgrade design and has commenced a market testing phase to obtain indicative pricing for the upgrade.

City of Salisbury has been drafting a Capital Upgrade Agreement, which dictates the responsibilities of each party (mostly NAWMA) for the site upgrade.

Report

Since the in good faith discussions were held, and the Lease of Agreement drafted, two further issues have arisen, namely;



- a) **Transference of EPA Licence:** Currently City of Salisbury retain the EPA licence for the site, while NAWMA undertakes the operations. This combination is not common. It is more common for the site operator to retain the EPA Licence so they are more incentivised to operate the site within the licence conditions. NAWMA is agnostic to the transference of the EPA Licence and will await Councils instructions.
- b) **Fire Safety:** As part of the finalisation of the site upgrade, an independent fire protection assessment was commissioned to determine what additional fire suppression requirements would be needed at the upgraded site. Alarmingly, the assessment determined that the current site conditions (inherited by NAWMA from City of Salisbury) do not comply with fire protection legislation and standards. While it is acknowledged that the proposed site upgrade will put some modest additional load on the site, the Report recommends basic measures to bring the current day site into compliance irrespective of site upgrade.

At an estimated cost of \$90k - \$130k, the Report recommends that at a minimum;

- i. Fire water connection/supply from the town main in Research Road.
- ii. Fire brigade suction/booster assembly on the street frontage.
- iii. Fire mains and site fire hydrants.

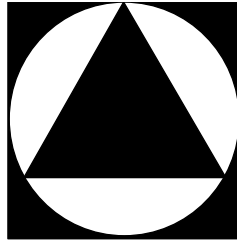
NAWMA's Administration believes that these works sit outside of the site upgrade scope and the non-conforming fire safety conditions were inherited by NAWMA from City of Salisbury.

It is not clear when City of Salisbury last undertook a fire safety audit of the site, but it is clear that upgrading the fire systems to current standards would be a cost met by City of Salisbury if it were still in operational control of the site. The fire safety conditions at the site were not identified by City of Salisbury (or NAWMA) during the negotiations or handover of the site.

A copy of the Fire Safety Report is appended at Attachment 5.5.1 for the information of the Board.

NAWMA's Chief Executive Officer will not execute the Capital Upgrade Agreement until this matter is resolved.





**NORTHERN ADELAIDE WASTE MANAGEMENT
AUTHORITY (NAWMA)
POORAKA RESOURCE RECOVERY CENTRE
71-75 RESEARCH ROAD, POORAKA**

FIRE PROTECTION FACILITIES

**Project number 20040
April 2020**

Trinamic Consultants Pty Ltd

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1. INTRODUCTION

Trinamic Consultants were engaged by Chapman Herbert Architects to inspect and report on the existing fire-fighting facilities at the existing NAWMA Pooraka Resource Recovery Centre, 71-75 Research Road, Pooraka, South Australia.

This report provides an assessment of the compliance of the fire protection facilities with current Regulations and Australian Standards. The report also provides budgets for recommended work.

An inspection was undertaken on 06th April 2020. The inspection was limited to a visual inspection and no dismantling of components, internal inspections of equipment, or testing were undertaken.

Details of available water pressure in the town mains was obtained from a flow and pressure survey completed by SA Water on 15th April 2020.

This report does not address other Code or Environment Protection Authority requirements for waste transfer stations, such as spill containment, signage, emergency management, etc.

2. CURRENT LEGISLATION

The applicable legislation governing the design and construction of buildings is currently the Development Act 1993. This Act requires that all buildings comply with provisions of the Development Regulations 2008 and the National Construction Code (NCC) - Volume 1 Building Code of Australia (BCA).

The fire protection facilities should comply with various relevant Australian Standards, including:

- AS 2419.1 Fire hydrant installations.
- AS 2441 Installation of fire hose reels.
- AS 2444 Portable fire extinguishers and fire blankets – selection and location.

3. DESCRIPTION OF EXISTING FACILITY

The existing site has an area of approximately 10,000m² and contains one large canopy of approximately 1,900m² over the refuse area, a smaller canopy of approximately 210m² over storage containers, office building of approximately 15m² floor area and several sheds/small transportable buildings.

Existing fire protection facilities include:

- Street fire plugs in the Research Road, one close to the intersection with Whit Street, and one opposite the adjacent site entry.
- One on-site hydrant located at the west-south corner of the site.
- Two fire hose reels, one adjacent the office and one adjacent the hydrant.
- Dry chemical powder portable fire extinguishers.

The existing street plugs do not provide the required coverage.

The existing on-site hydrant does not provide the required coverage and does not comply with current regulations; it is an undersized single head hydrant connected to a domestic water supply from the adjacent site and is not suitable for SAMFS fire-fighting.

The existing fire hose reels do not provide adequate coverage and are fed from domestic water supply from the adjacent site.

The existing fire extinguishers do not provide the required coverage.



Fig 1 Non complying hydrant



Fig.2 Fire hose reel behind office

4. PROPOSED WORKS

We understand that the following works are proposed on site:

20040 NAWMA Pooraka - Fire protection.

Trinamic Consultants

27th April 2020

- New Weigh-bridge.
- Extension of approximately 150m² to the large canopy, which would result in the total area of the canopy being 2,030m².
- Relocation of the office building.
- New waste loading line for semi-trailer trucks.

5. CODE REQUIREMENTS

The canopies on site would probably be considered as Class 7b buildings pursuant to the NCC BCA.

The BCA requires that a fire hydrant system must be provided to serve a building having a total floor area greater than 500 m².

The hydrant system must comply with AS2419.1, including:

- minimum 200 kPa available at the feed hydrants in a booster assembly during brigade boosting at the required flows; and
- minimum 350 kPa available at the most hydraulically disadvantaged attack hydrants with each simultaneously delivering the required flow, unassisted by brigade boosting or 200kPa, if accessible by brigade pumping appliance.

Two hydrants are required to flow at 10 L/s each for Class 7b buildings with floor area between 500 m² and 5,000 m².

Under AS2419.1 requirements, two hydrants are also required to flow at 10 L/s each for an open yard with the area between 3,000m² and 9,000m².

Fire hose reels are required to protect any building/fire compartment with a floor area greater than 500m². Fire hose reels must be located and installed to the BCA and AS2441 requirements.

Fire extinguisher provisions must comply with the BCA and AS2444 requirements.

6. RECOMMENDATIONS

6.1 Fire hydrants

Water flow and pressure test carried out in the town main in Research Road indicate that the water supply to on site hydrants from the town main would be adequate without a need to install fire water tanks or pumps.

We recommend the following:

- Fire water connection/supply from the town main in Research Road.
- Fire brigade suction/booster assembly on the street frontage.
- Fire mains and site fire hydrants.

Budget \$90,000 + GST

6.2 Fire hose reels

The existing fire hose reels do not provide adequate coverage and are connected to domestic water supply shared with the adjacent site.

We recommend the following:

- Disconnect and remove the existing fire hose reels.
- Provide new water supply to hose reels from the new fire water supply.
- Relocate hose reels and provide additional hose reels to achieve required coverage.

Budget \$25,000 + GST

6.3 Portable fire extinguishers

We recommend the following:

Provide additional fire extinguishers to achieve required coverage

Budget \$1,000 + GST

Budgets are indicative only, are based on current market rates and do not include design / professional fees, after hours or staged works, site allowances, contingencies, etc.

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Agenda Item 5.6

Report Subject:	Policy Updates	Report Author:	Finance Manager
Meeting Date:	25 June 2020	Report Type:	Information report (governance, risk)
Attachments:	Nil		

RECOMMENDATION

That the Report is received and noted.

Purpose of the Report

To provide the Board with an update on the development of the *Draft Risk Management Policy* and the progress of the *Draft Treasury Management Policy*.

Background

Draft Risk Management Policy

In conjunction with a Consultant from Local Government Risk Services (LGRS) NAWMA have developed a *Draft Risk Management Policy* in response to the non-conformances identified in the formal audit undertaken in August 2019.

Draft Treasury Management Policy

The first *Draft Treasury Management Policy* was presented to the Board and Audit Committee at the Joint Meeting of 14 May 2020. Both the Board and Audit Committee provided valuable input into the structure and content of the Policy and NAWMA's Administration have worked to include this commentary into a further Draft of the Policy.

Report

Both the *Draft Risk Management Policy* and *Draft Treasury Management Policy* were presented to the NAWMA Audit Committee at the meeting of 18 June 2020. The Committee provided further valuable input to each of the two (2) Policies to be considered by Management.

Management intend to further consider and incorporate the feedback received from the Committee Members before returning the two (2) Policies again to the Audit Committee for endorsement, before presentation to the Board for adoption.

Management expect to return both the *Draft Risk Management Policy* and *Draft Treasury Management Policy* to the scheduled September 2020 Board Meeting.

Confidential Agenda Items 6.1, 8.1 and 8.2 have been provided under separate cover



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Agenda Item 9.1

Report Subject:	Draft 2020/2021 Budget and Annual Business Plan	Report Author:	Finance Manager
Meeting Date:	25 June 2020	Report Type:	Information report (financial)
Attachments:	9.1.1 – Draft 2020/2021 Budget Model Financial Statements 9.1.2 – Draft 2020/2021 Gate Fees 9.1.3 – Draft 2020/2021 Constituent Council Cost Allocations 9.1.4 – Draft 2020/2021 Annual Business Plan		

RECOMMENDATION

That:

1. Subject to City of Playford adopting the Budget in full, the Board adopts the 2020/2021 Budget, and
2. Subject to all Constituent Councils endorsement, the Board adopts the 2020/2021 Annual Business Plan, and;
3. The Board instructs Management to distribute the 2020/2021 Budget and Annual Business Plan documents to Constituent Councils.

Purpose of the Report

To provide the Board with an opportunity to adopt both the Draft 2020/2021 Budget and Draft 2020/2021 Annual Business Plan.

Background

NAWMA must prepare a Draft Budget and Annual Business Plan in accordance with the NAWMA Charter and Local Government Act.

Clause 11 of the NAWMA Charter specifies;

BUDGETS

The Authority must prepare a budget for each financial year.

The budget must:

deal with each principal activity of the Authority on a separate basis;

be consistent with and account for activities and circumstances referred to in the Authority's business plan;

be submitted in draft form to each Constituent Council for approval before 31 March for the next financial year;

not be adopted by the Board until after 31 May but before 30 September; and

identify the amount of and the reasons for the financial contributions to be made by each Constituent Council to the Authority.



The Authority must provide a copy of its adopted budget to each Constituent Council within 5 business days after adoption by the Board.

Clause 12 of the NAWMA Charter specifies;

BUSINESS PLAN

The Authority shall have a Business Plan that continues in force for the period specified therein or until the earlier adoption by the Authority of a new Business Plan

The Authority must, in consultation with the Constituent Councils, review its Business Plan on an annual basis

The Authority may, after with the Constituent Councils, amend its Business Plan at any time

Report

Draft 2020/2021 Budget

The Board were provided a copy of the Draft 2020/2021 Budget for consideration at the 27 February 2020 meeting. Management were instructed to undertake further work on the Budget before it was again circulated to the Board via email on 13 March 2020. The Board resolved via Circular Resolution on Thursday 19 March 2020 that the Draft 2020/2021 Budget be endorsed and subsequently distributed to Constituent Councils for consultation and endorsement.

NAWMA Chair, Chief Executive Officer and Finance Manager presented the Budget document to each of the three (3) Constituent Councils in April and May 2020 with endorsement from City of Salisbury (27 April 2020) and Town of Gawler (28 April 2020).

At the time of Report writing, City of Playford are yet to endorse the NAWMA Draft 20/21 Budget. Following an uneventful presentation to City of Playford Elected Body on 21 April 2020, the Draft Budget was subsequently endorsed by the City of Playford Services Committee on 19 May 2020 for adoption at the 26 May Council Meeting. However, City of Playford at this meeting resolved not to endorse the Draft NAWMA Budget (and Service Level Agreement) and invited NAWMA's Chief Executive Officer to an Informal Gathering on 9 June 2020. The main sticking point is the temporary MRF processing fee of \$15/tonne. Following the presentation by NAWMA's CEO, it is now but expected that the matter will be tabled again at the scheduled 23 June 2020 Council Meeting.

Should City of Playford endorse the 20/21 Budget at their scheduled meeting, the Board are asked to adopt the 2020/2021 Budget for implementation and distribution to Constituent Councils.

If City of Playford resolve not to adopt some (or all), NAWMA will need to take advice as to how to progress the Budget process and administer charges from 1 July 2020.

Draft 2020/2021 Annual Business Plan

The Board were provided with a copy of the Draft 2020/2021 Annual Business Plan for consideration at the 14 May 2020 Joint Meeting with the NAWMA Audit Committee. The Board authorised the document to be distributed to Constituent Councils for review, consideration and endorsement at this meeting.

At the time of Report writing, none of the three (3) Constituent Councils have endorsed the 20/21 Annual Business Plan but the Item is expected to be considered at the following meetings:

- City of Salisbury: 22 June 2020
- Town of Gawler: 23 June 2020
- City of Playford: 23 June 2020



Should each of the Constituent Councils endorse the Draft Annual Business Plan at the above-mentioned meetings, the Board are asked to adopt the 2020/2021 Annual Business Plan for implementation and distribution to Constituent Councils.



NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY					
(BUDGETED) UNIFORM PRESENTATION OF FINANCES FOR THE YEAR ENDED 30 JUNE 2021					
2018/19 \$000 ACTUALS		2019/20 \$000 ADOPTED BUDGET	2019/20 \$000 BR1	2019/20 \$000 DEC 19 FYF	2020/21 \$000 Proposed Budget
34,034	Operating Revenues	32,574	38,664	37,299	41,677
(34,254)	less Operating Expenses	(32,540)	(38,966)	(39,104)	(43,195)
(220)	Operating Surplus/(Deficit) before Capital Amounts	34	(302)	(1,805)	(1,518)
less Net Outlays on Existing Assets					
-	Capital Expenditure on renewal and replacement of Existing Assets	-	(45)	(45)	-
	less Depreciation, Amortisation, Impairment and movement in Landfill				
1,394	Provisions	1,299	2,503	2,519	2,735
1,018	less Proceeds from Sales of Replaced Assets	-	-	-	-
2,412		1,299	2,458	2,474	2,735
less Net Outlays on New and Upgraded Assets					
(480)	Capital Expenditure on New and Upgraded Assets	(4,386)	(3,838)	(3,838)	-
233	less Amounts received specifically for New and Upgraded Assets	1,950	1,500	1,500	-
-	less Proceeds from Sales of Replaced Assets	-	-	-	-
(247)		(2,436)	(2,338)	(2,338)	-
1,945	Net Lending / (Borrowing) for Financial Year	(1,103)	(182)	(1,669)	1,217

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY					
(BUDGETED) STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021					
2018/19 \$000 ACTUALS		2019/20 \$000 ADOPTED BUDGET	2019/20 \$000 BR1	2019/20 \$000 DEC 19 FYF	2020/21 \$000 Proposed Budget
INCOME					
33,758	User Charges	32,317	38,164	36,864	41,214
209	Investment Income	22	200	193	193
67	Reimbursements	48	-	0	0
-	Other	187	300	242	270
34,034	TOTAL OPERATING REVENUE	32,574	38,664	37,299	41,677
EXPENSES					
2,753	Employee Costs	2,484	2,850	2,896	3,186
29,756	Materials, Contracts and Other Expenses	28,337	32,969	33,126	36,744
351	Depreciation, Amortisation and Impairment	1,299	2,503	2,519	2,735
1,394	Finance Costs	420	644	563	530
-	Other Expenses	-	-	-	-
34,254	TOTAL EXPENSES	32,540	38,966	39,104	43,195
(220)	OPERATING SURPLUS / (DEFICIT)	34	(302)	(1,805)	(1,518)
(9)	Net Gain / (Loss) on Disposal of Assets	-	-	-	-
233	Amounts received specifically for new/upgraded assets	1,950	1,500	1,500	-
4	NET SURPLUS / (DEFICIT)	1,984	1,198	(305)	(1,518)
-	Other Comprehensive Income				-
-	Changes in revaluation surplus - infrastructure, property, plant and equipment	-	-	-	-
4	TOTAL OTHER COMPREHENSIVE INCOME	0	0	0	0
4	TOTAL COMPREHENSIVE INCOME	1,984	1,198	(305)	(1,518)

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY					
(BUDGETED) STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021					
2018/19 \$000 ACTUALS		2019/20 \$000 ADOPTED BUDGET	2019/20 \$000 BR1	2019/20 \$000 DEC 19 FYF	2020/21 \$000 Proposed Budget
CASH FLOWS FROM OPERATING ACTIVITIES					
RECEIPTS					
33,342	Operating Receipts	32,552	38,464	37,106	41,484
209	Investment Receipts	22	200	193	193
PAYMENTS					
(31,429)	Operating Payments to Suppliers and Employees	(30,823)	(36,899)	(37,099)	(40,999)
(351)	Finance Costs	(420)	(357)	(345)	(345)
1,771	NET CASH RECEIVED IN OPERATING ACTIVITIES	1,331	1,408	(145)	334
CASH FLOWS FROM INVESTING ACTIVITIES					
RECEIPTS					
233	Amounts specifically for new or upgraded assets	1,950	1,500	1,500	-
1,018	Maturity of Investments	-	-	-	-
PAYMENTS					
-	Expenditure on Renewal / Replacement Assets	-	(45)	(45)	-
(480)	Expenditure on New / Upgraded Assets	(4,386)	(3,838)	(3,838)	-
771	NET CASH USED IN INVESTING ACTIVITIES	(2,436)	(2,383)	(2,383)	-
CASH FLOWS FROM FINANCING ACTIVITIES					
RECEIPTS					
-	Proceeds from Borrowings	2,236	2,236	2,236	-
PAYMENTS					
(990)	Repayment of Borrowings	(1,186)	(1,137)	(1,137)	(1,056)
(990)	NET CASH USED IN FINANCING ACTIVITIES	1,050	1,099	1,099	(1,056)
1,552	NET INCREASE (DECREASE) IN CASH HELD	(55)	124	(1,429)	(722)
1,061	CASH AT BEGINNING OF REPORTING PERIOD	933	2,613	2,613	1,184
2,613	CASH AT END OF REPORTING PERIOD	878	2,737	1,184	462

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY					
(BUDGETED) STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2021					
2018/19 \$000 ACTUALS		2019/20 \$000 ADOPTED BUDGET	2019/20 \$000 BR1	2019/20 \$000 DEC 19 FYF	2020/21 \$000 Proposed Budget
CURRENT ASSETS					
2,613	Cash and Cash Equivalents	878	2,737	1,184	462
64	MRF Inventory	50	64	64	64
3,172	Trade and Other Receivables	2,689	3,172	3,172	3,172
5,849	TOTAL CURRENT ASSETS	3,617	5,973	4,420	3,698
NON-CURRENT ASSETS					
-	Financial Assets	1,018	-	-	-
14,709	Infrastructure, Property, Plant and Equipment	17,942	22,149	22,134	19,399
14,709	TOTAL NON-CURRENT ASSETS	18,960	22,149	22,134	19,399
20,558	TOTAL ASSETS	22,577	28,122	26,554	23,097
CURRENT LIABILITIES					
3,410	Trade and Other Payables	2,271	3,410	3,410	3,410
1,186	Borrowings	991	1,192	1,016	1,099
191	Provisions	183	191	191	191
4,787	TOTAL CURRENT LIABILITIES	3,445	4,793	4,617	4,700
NON-CURRENT LIABILITIES					
-	Trade and Other Payables	-	-	-	-
6,318	Provisions	2,659	2,698	2,698	2,698
2,698	Borrowings	7,650	12,678	12,789	10,767
-	Other Non-Current Liabilities	-	-	-	-
9,016	TOTAL NON-CURRENT LIABILITIES	10,309	15,376	15,487	13,465
13,803	TOTAL LIABILITIES	13,754	20,169	20,104	18,165
6,755	NET ASSETS	8,823	7,953	6,450	4,932
EQUITY					
6,095	Accumulated Surplus	8,163	7,293	5,790	4,272
660	Asset Revaluation Reserve	660	660	660	660
-	Other Reserves	-	-	-	-
6,755	TOTAL EQUITY	8,823	7,953	6,450	4,932

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY					
(BUDGETED) STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021					
2018/19 \$000 ACTUALS		2019/20 \$000 ADOPTED BUDGET	2019/20 \$000 BR1	2019/20 \$000 DEC 19 FYF	2020/21 \$000 Proposed Budget
ACCUMULATED SURPLUS					
6,091	Balance at beginning of period	6,179	6,095	6,095	5,790
4	Net Surplus / (Deficit)	1,984	1,198	(305)	(1,518)
-	Transfers from reserves	-		-	-
-	Transfers to reserves	-		-	-
-	Distribution to Councils	-		-	-
6,095	Balance at end of period	8,163	7,293	5,790	4,272
ASSET REVALUATION RESERVE					
660	Balance at beginning of period	660	660	660	660
-	Gain on Revaluation of Infrastructure, Property, Plant and Equipment	-		-	-
-	Transfers from reserve	-		-	-
660	Balance at end of period	660	660	660	660
6,755	TOTAL EQUITY	8,823	7,953	6,450	4,932

DRAFT

<div>RESOURCE RECOVERY CENTRES</div> <div>Draft Budget Gate Fees For the Period of July 2020 to June 2021</div> <div>This price is not a formal quote – the gatehouse attendant, on your arrival will advise the correct price once your load has been inspected</div> <div>Gate 3 Bellchambers Rd, Edinburgh North & Pooraka Transfer Station</div>
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<div>WASTE DISPOSAL</div> <div>Draft Budget Gate Fees for the period of July 2020 to Jun 2021</div> <div>EDINBURGH NORTH, EDINBURGH PARK AND ULEYBURY LANDFILL</div>
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Type of Vehicle	General	Green Waste	Concrete	Clean Fill
Minimum Charge	\$18	\$10	-	-
Car Boot/240l Bin	\$30	\$10	-	-
Station Wagon	\$42	\$19	-	-
Utes and Vans (Level)	\$74	\$33	\$33	\$22
Utes and Vans (Raised)	\$83	\$44	-	-
Single Axle (Level)	\$75	\$33	\$33	\$22
Single Axle (Caged)	\$90	\$44	-	-
Dual Axle (Level)	\$101	\$44	\$44	\$27
Dual Axle (Caged)	\$116	\$52	-	-
Larger than 8x5 (Level)	\$117	\$54	\$46	\$32
Larger than 8x5 (Caged)	\$161	\$78	\$57	\$48
Car Trailer/Tray Trucks (Level)	\$147	\$62	-	-
Car Trailer/Tray Trucks (Raised)	\$196	\$92	-	-
All Trucks Fill/Concrete per T			\$33	\$32

Note:

1. The above prices are GST inclusive.

2. The 1.5% credit card processing fee will apply if the payment is made via credit card.

Other Material	Charge
Metal	Free
E-Waste – TV’s, Computers	Free
Cardboard	Free
Clean Plastic	Free
Waste Oil – Max 20 litres per person	Free
Car Batteries	Free
Polystyrene	Free
Paint	Free
Car Tyres off Rim	\$12
Car Tyres on Rim	\$17
Light Truck/4WD Tyres	\$30
Truck Tyres	\$55
Large Truck/Tractor Tyres	\$130
Single Mattress	\$27
Double Mattress	\$32
Gas Cylinders	\$0
Fluro Tubes	\$0

Constituent Councils:	Tonnage Rate	Solid Waste Levy*	Total
Member Council Waste (incl MRF residual waste)	\$55.2	\$144.2	\$199.4
MRF Glass Fines	\$23.5	\$144.2	\$167.7
Green Organics	\$50.5		\$50.5
Kerbside Green Organics	\$30.5		\$30.5
Clean fill\Bricks etc to Transfer Station	\$25.0		\$25.0
External:			
External Volume	Tonnage Rate	Solid Waste Levy*	Total
General Waste	\$68.7	\$144.2	\$212.9
Bitumen/Road Base	\$40.0		\$40.0
Bricks/Concrete (<200mm, mesh only)	\$40.0		\$40.0
*Clean fill (<1,000 tonnes)	\$15.0		\$15.0
*Clean fill (>1,000 tonnes)	\$15.0		\$15.0

Note:

1. The above prices are GST exclusive.

2. If Clean fill is directly delivered to Uleybury Landfill site by customers the price for Clean fill can be negotiable with NAMWA.

3. NAWMA reserves the right to apply the Solid Waste Levy to Clean Fill if the legislation changes.

* Indicative only. Actual Solid Waste Levy will be applied as gazetted by State Government from 1 July 2020.

Draft 2020/21 Budget Hard waste Voucher Prices to Constituent Councils

Type of Voucher	Prices (ex GST)
Voucher	\$78.2
Voucher - Mattress	\$30.0
Voucher - Extra	\$22.0

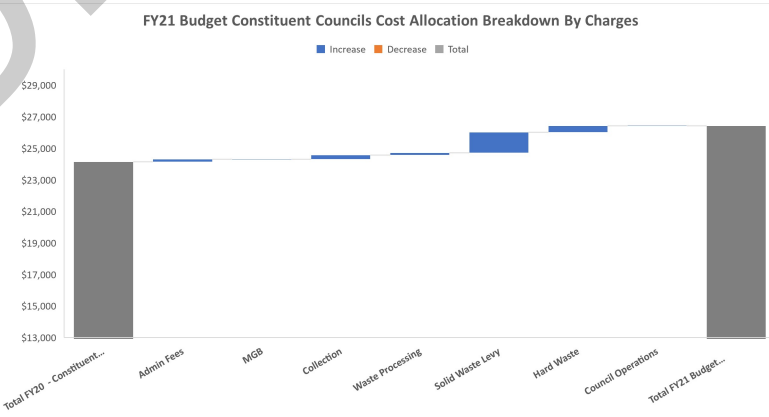
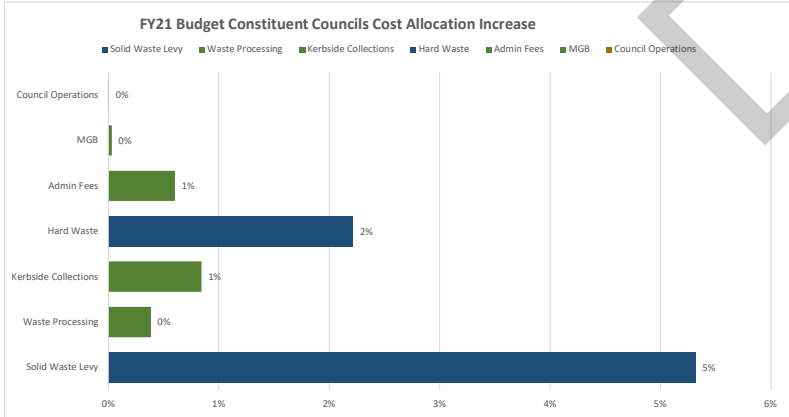
Draft 2020/21 Budget MRF Fees & Charges

Fee Category	Gate Fee per tonne (ex GST)	Rise and Fall Adjustment
Constituent Council Budget Repair (temporary)	\$15.0	
Customer Council Tier 1 (annual intake < 1,500 tonnes)	\$130.0	No
Customer Council Tier 2 (annual intake > 1,500 tonnes)	\$130.0	Yes

Breakdown of Cost Allocations to Constituent Councils 2020/2021

Waste Category ('000)	YTD Dec 19 Actuals (A)	ZHF Forecasts FY20 (B)	FY20 Q2 Budget Update (C) A+B	FY21 Draft Budget	Variance Draft FY21 BUD - FY20 Total	YOY Variance (%)	YOY Weighted Variance (%)
Admin Fees	\$854	\$854	\$1,709	\$1,857	\$149	9%	1%
MGB	\$169	\$171	\$340	\$351	\$11	3%	0%
Domestic Waste Collection	\$2,039	\$2,039	\$4,077	\$4,205	\$128	3%	1%
Domestic Waste Processing	\$1,482	\$1,482	\$2,965	\$3,086	\$121	4%	1%
Solid Waste Levy - Domestic Waste	\$3,019	\$3,843	\$6,862	\$8,063	\$1,201	17%	5%
Domestic Waste	\$6,540	\$7,364	\$13,904	\$15,354	\$1,450	10%	6%
Recycling Waste Collection	\$1,033	\$1,037	\$2,070	\$2,109	\$39	2%	0%
MRF Residual Waste & Glass Fines Processing	\$154	\$172	\$326	\$331	\$6	2%	0%
Solid Waste Levy - MRF Waste	\$448	\$571	\$1,019	\$1,105	\$86	8%	0%
Recycling	\$1,635	\$1,779	\$3,414	\$3,545	\$131	4%	1%
Garden Organics Collection	\$810	\$818	\$1,627	\$1,722	\$95	6%	0%
Garden Organics Processing	\$399	\$399	\$799	\$821	\$23	3%	0%
Garden Organics Disposal	\$0	\$0	\$0	\$0	\$0		0%
Garden Organic	\$1,209	\$1,217	\$2,426	\$2,543	\$117	5%	0%
Vouchers	\$299	\$353	\$651	\$984	\$332	51%	1%
Hard Waste Collection	\$291	\$320	\$611	\$627	\$16	3%	0%
Hard Waste Processing	\$31	\$35	\$66	\$68	\$2	3%	0%
Hard Waste Disposal	\$244	\$269	\$513	\$569	\$56	11%	0%
Hard Waste	\$866	\$976	\$1,842	\$2,248	\$406	22%	2%
Illegal Dumping	\$116	\$116	\$232	\$234	\$1	1%	0%
Street Sweeping	\$144	\$144	\$287	\$288	\$1	0%	0%
Clean Greens (FOGO COP)	\$0	\$0	\$0	\$0	\$0		0%
Council Operations	\$260	\$260	\$520	\$522	\$2	0%	0%
Total	\$11,533	\$12,622	\$24,155	\$26,420	\$2,265	9%	9%

Charge Category ('000)	YTD Dec 19 Actuals (A)	ZHF Forecasts FY20 (B)	FY20 Q2 Budget Update (C) A+B	FY21 Draft Budget	Variance Draft FY21 BUD - FY20 Total	YOY Variance (%)	YOY Weighted Variance (%)
Solid Waste Levy	\$3,468	\$4,413	\$7,881	\$9,168	\$1,287	16%	5%
Waste Processing	\$2,035	\$2,054	\$4,089	\$4,239	\$150	4%	1%
Kerbside Collections	\$3,881	\$3,893	\$7,774	\$8,036	\$261	3%	1%
Hard Waste	\$866	\$976	\$1,842	\$2,248	\$406	22%	2%
Admin Fees	\$854	\$854	\$1,709	\$1,857	\$149	9%	1%
MGB	\$169	\$171	\$340	\$351	\$11	3%	0%
Council Operations	\$260	\$260	\$520	\$522	\$2	0%	0%
Total Charges	\$11,533	\$12,622	\$24,155	\$26,420	\$2,265	9%	9%



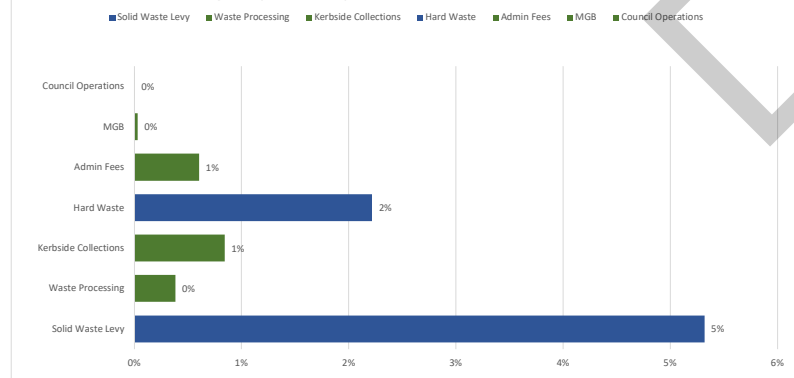
Breakdown of Cost Allocations to Individual Constituent Councils 2020/2021

City of Salisbury

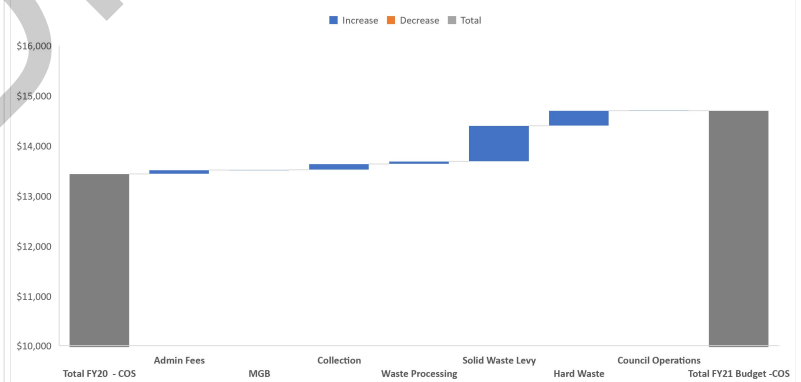
Waste Category ('000)	YTD Dec 19 Actuals (A)	2HF Forecasts FY20 (B)	FY20 Q2 Budget Update (C) A+B	FY21 Draft Budget	Variance Draft FY21 BUD - FY20 Total	YOY Variance (%)	YOY Weighted Variance (%)
Admin Fees	\$465	\$465	\$931	\$1,011	\$81	9%	1%
MGB	\$73	\$73	\$146	\$150	\$4	3%	0%
Domestic Waste Collection	\$1,133	\$1,133	\$2,265	\$2,325	\$59	3%	0%
Domestic Waste Processing	\$831	\$831	\$1,661	\$1,709	\$48	3%	0%
Solid Waste Levy - Domestic Waste	\$1,658	\$2,110	\$3,769	\$4,436	\$668	18%	5%
Domestic Waste	\$3,622	\$4,074	\$7,695	\$8,470	\$775	10%	6%
Recycling Waste Collection	\$569	\$569	\$1,138	\$1,152	\$15	1%	0%
MRF Residual Waste & Glass Fines Processing	\$82	\$92	\$174	\$177	\$3	2%	0%
Solid Waste Levy - MRF Wastes	\$239	\$305	\$544	\$591	\$47	9%	0%
Recycling	\$890	\$966	\$1,856	\$1,921	\$65	3%	0%
Garden Organics Collection	\$486	\$486	\$972	\$1,012	\$39	4%	0%
Garden Organics Processing	\$257	\$257	\$513	\$514	\$0	0%	0%
Garden Organics Disposal				\$0	\$0	0%	0%
Garden Organic	\$743	\$743	\$1,486	\$1,525	\$40	3%	0%
Hard Waste Vouchers	\$180	\$228	\$408	\$666	\$258	63%	2%
Hard Waste Collection	\$147	\$161	\$308	\$318	\$10	3%	0%
Hard Waste Processing	\$21	\$24	\$45	\$47	\$2	4%	0%
Hard Waste Disposal	\$137	\$150	\$287	\$315	\$29	10%	0%
Hard Waste	\$484	\$563	\$1,048	\$1,345	\$298	28%	2%
Illegal Dumping	\$73	\$73	\$146	\$146	\$1	0%	0%
Street Sweeping	\$66	\$66	\$131	\$131	\$0	0%	0%
Clean Greens (FOGO COP)	\$0	\$0	\$0	\$0	\$0	0%	0%
Council Operations	\$139	\$139	\$277	\$278	\$1	0%	0%
Total	\$6,416	\$7,022	\$13,438	\$14,702	\$1,263	9%	9%

Charge Category ('000)	YTD Dec 19 Actuals (A)	2HF Forecasts FY20 (B)	FY20 Q2 Budget Update (C) A+B	FY21 Draft Budget	Variance Draft FY21 BUD - FY20 Total	YOY Variance (%)	YOY Weighted Variance (%)
Solid Waste Levy	\$1,898	\$2,415	\$4,313	\$5,027	\$715	17%	5%
Waste Processing	\$1,170	\$1,180	\$2,349	\$2,401	\$51	2%	0%
Kerbside Collections	\$2,188	\$2,188	\$4,375	\$4,488	\$113	3%	1%
Hard Waste	\$484	\$563	\$1,048	\$1,345	\$298	28%	2%
Admin Fees	\$465	\$465	\$931	\$1,011	\$81	9%	1%
MGB	\$73	\$73	\$146	\$150	\$4	3%	0%
Council Operations	\$139	\$139	\$277	\$278	\$1	0%	0%
Total Charges	\$6,416	\$7,022	\$13,438	\$14,702	\$1,263	9%	9%

FY21 Budget City of Salisbury Cost Allocation Increase



FY21 Budget City of Salisbury Cost Allocation Breakdown By Charges

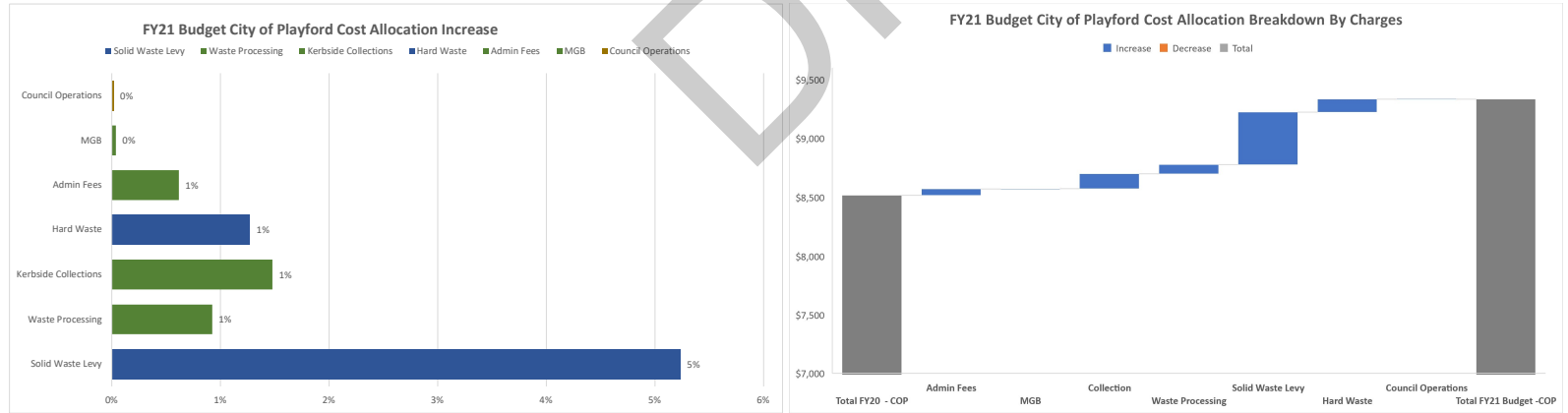


Breakdown of Cost Allocations to Individual Constituent Councils 2020/2021

City of Playford

Waste Category ('000)	YTD Dec 19 Actuals (A)	ZHF Forecasts FY20 (B)	FY20 Q2 Budget Update (C) A+B	FY21 Draft Budget	Variance Draft FY21 BUD - FY20 Total	YOY Variance (%)	YOY Weighted Variance (%)
Admin Fees	\$302	\$302	\$604	\$656	\$53	9%	1%
MGB	\$76	\$76	\$152	\$155	\$3	2%	0%
Domestic Waste Collection	\$704	\$704	\$1,408	\$1,470	\$62	4%	1%
Domestic Waste Processing	\$507	\$507	\$1,015	\$1,071	\$56	6%	1%
Solid Waste Levy - Domestic Waste	\$1,059	\$1,348	\$2,406	\$2,820	\$414	17%	5%
Domestic Waste	\$2,270	\$2,559	\$4,829	\$5,361	\$532	11%	6%
Recycling Waste Collection	\$358	\$358	\$716	\$737	\$20	3%	0%
MRF Residual Waste & Glass Fines Processing	\$58	\$65	\$122	\$124	\$2	2%	0%
Solid Waste Levy - MRF Wastes	\$168	\$214	\$382	\$414	\$32	8%	0%
Recycling	\$584	\$637	\$1,221	\$1,275	\$54	4%	1%
Garden Organics Collection	\$232	\$240	\$471	\$515	\$43	9%	1%
Garden Organics Processing	\$103	\$103	\$205	\$226	\$20	10%	0%
Garden Organics Disposal				\$0	\$0		0%
Garden Organic	\$334	\$342	\$676	\$740	\$64	9%	1%
Hard Waste Vouchers	\$119	\$125	\$244	\$318	\$74	30%	1%
Hard Waste Collection	\$144	\$159	\$303	\$310	\$7	2%	0%
Hard Waste Processing	\$10	\$11	\$21	\$21	\$0	1%	0%
Hard Waste Disposal	\$108	\$119	\$227	\$254	\$27	12%	0%
Hard Waste	\$381	\$413	\$794	\$903	\$108	14%	1%
Illegal Dumping	\$43	\$43	\$87	\$87	\$1	1%	0%
Street Sweeping	\$78	\$78	\$156	\$157	\$1	0%	0%
Clean Greens (FOGO COP)	\$0	\$0	\$0	\$0	\$0		0%
Council Operations	\$121	\$121	\$243	\$244	\$1	1%	0%
Total	\$4,069	\$4,450	\$8,519	\$9,335	\$816	10%	10%

Charge Category ('000)	YTD Dec 19 Actuals (A)	ZHF Forecasts FY20 (B)	FY20 Q2 Budget Update (C) A+B	FY21 Draft Budget	Variance Draft FY21 BUD - FY20 Total	YOY Variance (%)	YOY Weighted Variance (%)
Solid Waste Levy	\$1,227	\$1,562	\$2,789	\$3,234	\$446	16%	5%
Waste Processing	\$668	\$675	\$1,343	\$1,421	\$79	6%	1%
Kerbside Collections	\$1,294	\$1,302	\$2,595	\$2,721	\$126	5%	1%
Hard Waste	\$381	\$413	\$794	\$903	\$108	14%	1%
Admin Fees	\$302	\$302	\$604	\$656	\$53	9%	1%
MGB	\$76	\$76	\$152	\$155	\$3	2%	0%
Council Operations	\$121	\$121	\$243	\$244	\$1	1%	0%
Total Charges	\$4,069	\$4,450	\$8,519	\$9,335	\$816	10%	10%



Breakdown of Cost Allocations to Individual Constituent Councils 2020/2021

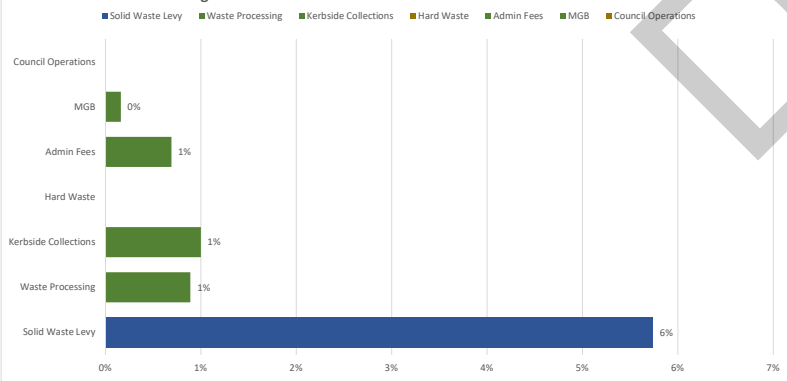
Town of Gawler

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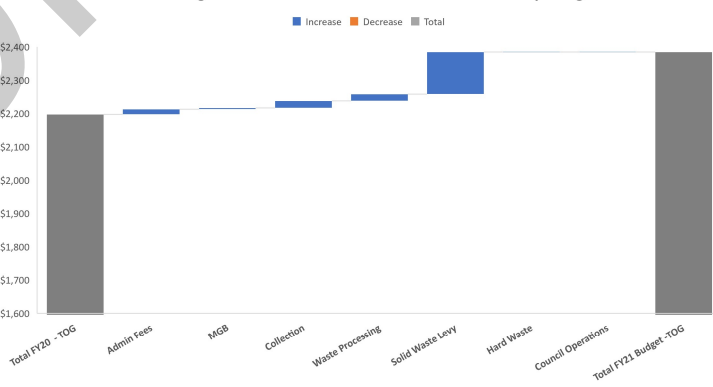
Waste Category ('000)	YTD Dec 19 Actuals (A)	ZHF Forecasts FY20 (B)	FY20 Q2 Budget Update (C) A+B	FY21 Draft Budget	Variance Draft FY21 BUD - FY20 Total	YOY Variance (%)	YOY Weighted Variance (%)
Admin Fees	\$87	\$87	\$174	\$190	\$15	9%	1%
MGB	\$20	\$22	\$42	\$45	\$4	8%	0%
Domestic Waste Collection	\$202	\$202	\$404	\$411	\$6	2%	0%
Domestic Waste Processing	\$144	\$144	\$288	\$305	\$17	6%	1%
Solid Waste Levy - Domestic Waste	\$302	\$385	\$687	\$807	\$120	17%	5%
Domestic Waste	\$640	\$731	\$1,380	\$1,523	\$143	10%	6%
Recycling Waste Collection	\$106	\$110	\$216	\$220	\$4	2%	0%
MRF Residual Waste & Glass Fines Processing	\$14	\$15	\$29	\$30	\$1	2%	0%
Solid Waste Levy - MRF Wastes	\$41	\$52	\$92	\$99	\$7	7%	0%
Recycling	\$161	\$177	\$338	\$349	\$11	3%	1%
Garden Organics Collection	\$92	\$92	\$184	\$195	\$12	6%	1%
Garden Organics Processing	\$40	\$40	\$80	\$82	\$2	3%	0%
Garden Organics Disposal			\$0	\$0	\$0	0%	0%
Garden Organic	\$132	\$132	\$264	\$277	\$14	5%	1%
Hard Waste Vouchers	\$0	\$0	\$0	\$0	\$0		
Hard Waste Collection	\$0	\$0	\$0	\$0	\$0		
Hard Waste Processing	\$0	\$0	\$0	\$0	\$0		
Hard Waste Disposal	\$0	\$0	\$0	\$0	\$0		
Hard Waste	\$239	\$0	\$0	\$0	\$0		
Illegal Dumping	\$0	\$0	\$0	\$0	\$0		
Street Sweeping	\$0	\$0	\$0	\$0	\$0		
Clean Greens (FOGO COP)	\$0	\$0	\$0	\$0	\$0		
Council Operations	\$0	\$0	\$0	\$0	\$0		
Total Waste Service - Town of Gawler	\$1,041	\$1,149	\$2,198	\$2,384	\$186	8%	8%

Charge Category ('000)	YTD Dec 19 Actuals (A)	ZHF Forecasts FY20 (B)	FY20 Q2 Budget Update (C) A+B	FY21 Draft Budget	Variance Draft FY21 BUD - FY20 Total	YOY Variance (%)	YOY Weighted Variance (%)
Solid Waste Levy	\$343	\$437	\$780	\$906	\$126	16%	6%
Waste Processing	\$198	\$199	\$397	\$417	\$20	5%	1%
Kerbside Collections	\$400	\$404	\$804	\$826	\$22	3%	1%
Hard Waste	\$239	\$0	\$0	\$0	\$0		
Admin Fees	\$87	\$87	\$174	\$190	\$15	9%	1%
MGB	\$20	\$22	\$42	\$45	\$4	8%	0%
Council Operations	\$0	\$0	\$0	\$0	\$0		
Total Charges	\$1,288	\$1,149	\$2,198	\$2,384	\$186	8%	8%

FY21 Budget Town of Gawler Cost Allocation Increase



FY21 Budget Town of Gawler Cost Allocation Breakdown By Charges





Draft Annual Business Plan 2020–2021



1. Introduction:

The Business Plan, as prescribed in Clause 12 of the Charter, is to include an outline of NAWMA's objectives, that activities intended to be pursued, and the measurement tools defined to assess performance. It must also assess and summarise the financial requirements of NAWMA and set out the proposals to recover overheads and costs from the Constituent Councils.

The Draft 2020/2021 Business Plan documents the objectives, activities, financial requirements and metrics for NAWMA to undertake the collection and management of waste, organics, and recycling for Constituent Councils in a sustainable, efficient, and competitive manner. The Business Plan is to be read in conjunction with the broader strategic planning framework including the **Strategic Plan 2018-2025** and Long Term Financial Plan, and Risk Management Planning Framework.

2. Objectives

- 2.1. To provide a **governance framework** that allows a consultative approach to management of the Subsidiary by Constituent Councils, the Board and NAWMA Management Team
- 2.2. To actively seek **operational efficiencies** that improves NAWMA's competitive advantage in the arenas of recycling, food organics garden organics, waste management, kerbside collections and customer service
- 2.3. To incorporate **Workplace Health, Safety, and Quality** into decision making processes
- 2.4. To **educate and promote** recycling, waste diversion, and contamination management of the community in collaboration with Constituent Councils, staff and the Board
- 2.5. To provide a high-quality low-cost service and infrastructure to Constituent Councils where **financial performance** is underpinned by timely and accurate monitoring and reporting.

The overarching objectives to;

- *Deliver services efficiently and cost effectively*
- *Increase diversion from landfill*
- *Leadership in community education and information*

...will be delivered by being bold, innovative, worlds best practicing and transformational, whilst delivering local employment and business opportunities of global significance.

Table 2.1: Current Service Levels by Constituent Councils (and Client/Customer Councils)

		Services													
		Core Services													
	Constituent Council	Kerbside Collection Contract	Hard Waste	Hard Waste Voucher	MSW Bin	Recycling Bin	FOGO Bin	Customer Service Function	Education and Promotion	MRF Processing	FOGO Processing	Landfill Disposal	Bin Repairs/Maintenance/Replacements	Bellchambers Road RRC/WPF	Research Road RRC Operational Lease
Constituent Councils	City of Salisbury	x	x	x	x	x	Optional	x	x	x	x	x	x	x	x
	City of Playford	x	x	x	x	x	Optional	x	x	x	x	x	x	x	
	Town of Gawler	x	trial	trial	x	x	Optional	x	x	x	x	x	x	x	
Client Councils	Multiple									x					

3. Activities

3.1. Governance Framework

- 3.1.1. **Implement NAWMA's new transformational Waste Management Strategy:** The NAWMA Board adopted the NAWMA Strategic Plan 2018-2025 in September 2018. The Strategy contains powerful performance drivers to lead NAWMA's pathway to increase landfill diversion, improve existing processing infrastructure, and deliver education and behaviour change campaigns to our communities. 2019/2020 was the first full year of implementation of the Strategy.
- 3.1.2. **Business Improvement – Payroll Process Automation System:** implement Wageloch system for automation of payroll process across NAWMA's five (5) operational sites.
- 3.1.3. **Internal Risk Assessment and Controls:** As part of the Local Government Association Workers Compensation Scheme (LGAWCS) and Local Government Association Mutual Liability Scheme (LGAMLS) NAWMA is required to implement a series of Risk Management policies, reporting structures, and training in order to achieve Conformances under the Model Framework. NAWMA's Administration will work collaboratively with the Scheme to work towards Conformance.
- 3.1.4. **Implement Corporate Risk Register:** NAWMA intends to implement a Corporate Risk Register to identify both the tactical and strategic risks across the organisation. This will include a critical Staff Cross Training and Knowledge Sharing program to strengthen NAWMA's vital corporate function.
- 3.1.5. **Service Level Agreements:** The NAWMA Charter requires a Service Level Agreement (SLA) to be developed with each Constituent Council. The structure and measurement metrics of the SLA will be reviewed in 2020/2021 in consultation with Constituent Councils, with a view to constructing a more modern template for future annual updates.
- 3.1.6. **Advocacy:** Advocate with State and Federal Government on behalf of Constituent Councils on issues relating to waste management and resource recovery that have impacts across the region.

Table 3.1: Summary of activities to deliver on the Governance Framework objective

Activity number	Activity	2018-2025 Strategic Plan Linkage	Metric
3.1.1	Implement Strategic Plan 2018-2025	All	Progress made on the implementation of the Strategic Plan
3.1.2	Business Improvement – Payroll Process Automation System	Objective 3; Strategy 10	Wageloch implemented and integrated into business as usual
3.1.3	Internal Risk Assessment and Controls	Objective 3	Progress made on the implementation of the two (2) year Action Plan
3.1.4	Implement Corporate Risk Register	All	Successful implementation and ongoing maintenance of Risk Register
3.1.5	Service Level Agreements	Strategies 1, 2, 5 & 8	SLA's adopted
3.1.6	Advocacy	All	Opportunities identified and approached where NAWMA can influence the industry

3.2. Operational Efficiencies

- 3.2.1. Implement efficiency, improvement, and austerity measures:** The Draft 20/21 NAWMA Budget included close to \$3M in controllable savings and operational measures in order to improve NAWMA's financial sustainability. This included a temporary \$15/tonne recyclables processing gate fee for Constituent Councils. NAWMA commits to continually reviewing and implementing business improvement measures in order to repeal the temporary gate fee at the earliest opportunity.
- 3.2.2. Landfill Alternative Project:** The NAWMA Board has established a Special Purpose Vehicle (SPV) to undertake the feasibility of landfill alternative options for NAWMA post the closure of Uleybury Landfill (circa 2025). The SPV will meet at least quarterly to accelerate the political, environmental, social, technological, legal, and economic analysis for landfill alternatives as a potential industry attraction proposition.
- 3.2.3. Upgrade of Research Road Transfer Station:** In conjunction with site owner City of Salisbury, NAWMA have committed to the commencement and significant completion of the upgrade of the site in the 2020/2021 financial year. NAWMA will deliver a contemporary site with high customer usability and transport efficiencies.
- 3.2.4. Develop Downstream (onshore) Markets for Glass Fines:** In line with NAWMA's commitment to onshore processing of recovered resources, a focus for this financial year will be in recovered glass fines being used as an aggregate substitute in civil applications. Ideally, this will occur in Constituent Councils own road reseal, footpath and kerbing applications, but where this is not possible, NAWMA will work with other South Australian (and interstate) based civil contractors to utilise the recycled glass.
- 3.2.5. (Opt-out)Food Organics Garden Organics (FOGO) Business Case and Planning;** Following an independent analysis and subsequent strategy modelling, NAWMA will now work with Constituent Councils to develop the final business case for rolling out the remaining (circa) 30,000 FOGO bins to properties currently not participating in the opt-in service. It is anticipated that the business planning will culminate in a Budget Bid for Constituent Councils to subsidise the \$57 bin purchase price to increase participation, commencing in a July 2021.

Table 3.2: Summary of activities to deliver on the Operational Efficiency objective

Activity number	Activity	2018-2025 Strategic Plan Linkage	Metric
3.2.1	Implement efficiency, improvement and austerity measures	Objective 3; Strategies 1, 2, 9 & 11	Reviewing of temporary gate fee at each Budget Review
3.2.2	Landfill Alternative Project	Objectives 1, 2 & 3; Strategies 6, 8, 10 & 11	Quarterly SPV Meetings held
3.2.3	Upgrade of Research Road Transfer Station	Strategy 7 & 8	Upgrade construction significantly commenced
3.2.4	Develop Downstream (onshore) Markets for Glass Fines	Objective 2; Strategies 4 & 10	Significant recycled glass utilised in Constituent Councils civil procurement, and/or local/domestic market entered

3.2.5	(Opt-out)Food Organics Garden Organics (FOGO) Business Case and Planning	Objective 1; Strategies 1, 5, 7 & 9	Business case developed, and consultation workshops with Councils held; 21/22 Budget Bid developed
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3.3. Workplace Health, Safety, and Quality

- 3.3.1. **Risk Management Software Platform (Skytrust):** NAWMA intends to continue to implement and integrate the Skytrust risk, safety and quality software platform, which will be accelerated in 20/21 through additional resourcing from NAWMA and the Scheme.
- 3.3.2. **LGAWCS and LGAMLS Risk Evaluation Action Plan:** NAWMA became a Full Member of the LGAWCS and LGAMLS as at 1 July 2019 and undertook its first formal audit in August 2019. In consultation with the Scheme's WHS Consultant and Strategic Risk Consultant, NAWMA has developed an Action Plan to review, monitor, inform and complete the actions required within a two (2) year period to move NAWMA to a "compliant" system. The work towards conformance will become the strategic framework for NAWMA.
- 3.3.3. **Implement a Corporate Risk Register:** As per 3.1.4

Table 3.3: Summary of activities to deliver on the Workplace Health & Safety objective

Activity number	Activity	2018-2025 Strategic Plan Linkage	Metric
3.3.1	Risk Management Software Platform (Skytrust)	Strategy 10	Skytrust implemented and integrated into business as usual
3.3.2	LGAWCS and LGAMLS Risk Evaluation Action Plan	Strategy 2 & 10	50% completion (or more) made on two (2) year Action Plan
3.3.3	Implement a Corporate Risk Register	All	Successful implementation and ongoing maintenance of Risk Register

3.4. Communications

- 3.4.1. **Anti-contamination campaign:** 'public face' of the more Board/Elected Body with a strict focus on the 'Contamination is Costly' information. NAWMA's waste disposal costs from the Materials Recovery Facility is rapidly escalating, and now forms a significant portion of the operational costs, along with labour. NAWMA needs residents to responsibly use the yellow lid recycling bin, and to date previous education and engagement campaigns have proven ineffective. By educating residents on the cost associated with placing on-recyclable material in the yellow lid bin, it is hoped that sustained behaviour change can occur.
- 3.4.2. **Education Centre sessions (tour and training):** NAWMA undertakes many tours of our facilities, prioritising residents, business and community groups from within the Constituent Councils. NAWMA also undertakes selected tours for Client Councils, and is developing a policy to monetise these tours where they don't distract from core business. For our community that cannot attend a tour in person, NAWMA intends on virtualising information to be able to engage with residents and students. A series of virtual tours will be available in 2020/2021.

- 3.4.3. **Drive continuous improvement through feedback:** NAWMA intend to ensure continuous engagement with its community, Constituent Councils and stakeholders' feedback in order to improve the level of service it provides. From a whole of organisation perspective NAWMA is able gain feedback through various touchpoints inclusive of phone, email, website enquiry, face to face contact and SMS. A survey system that is compatible with each of the aforementioned touchpoints will be implemented to allow the quantifiable collation of data where possible.
- 3.4.4. **Staff satisfaction survey:** As part of NAWMA's commitment to being an employer of choice, and providing an opportunity for a pulse check of the organisations culture, NAWMA will undertake a staff satisfaction survey in 20/21, with the results furnished to the Board and CEO Performance Review Committee

Table 3.4: Summary of activities to deliver on the Communications objective

Activity number	Activity	2018-2025 Strategic Plan Linkage	Metric
3.4.1	Anti-contamination campaign	Objective 1; Strategies 2, 10 & 11	Anti-contamination plan implemented and distributed across Constituent Councils
3.4.2	Education Centre sessions (tour and training)	Objectives 1 & 2; Strategies 2, 10 & 11	Virtual tours implemented and business as usual. Policy developed to monetise external tours.
3.4.3	Drive continuous improvement through feedback	Objective 3: Strategy	Implementation and business as usual of survey system
3.4.4	Staff satisfaction survey	All	Staff satisfaction survey completed and reported to Board/CEO Performance Review Committee

3.5. Financial Sustainability

- 3.5.1. **Maintain financial sustainability indicators and ratio's:** NAWMA's Long Term Financial Plan, and Treasury Management Policy set out a number of financial metrics to maintain a fiscally responsible and sustainable operation on behalf of Constituent Councils. NAWMA will maintain a Net Financial Liability Ratio between 0% and 40%, a Quick Ratio of >1:1, an Operating Result +/- 5% of Budget, while maintaining a prudent mix of fixed and variable borrowing options
- 3.5.2. **Asset Management Plan:** In recent years NAWMA has embarked on an ambitious capital improvement work program, which has seen the installation of a new Materials Recovery Facility in 2017 and further significant capital upgrades in 2018 and 2020 to future proof the operation. This is in addition to a large number of fixed and mobile assets across the other operational sites. It is intended that an Asset Management Plan be developed to take a systems approach to maintaining these assets, including planned repair and maintenance, to deliver maximum utilisation, business continuity, and repeatability in the standard of service to the Constituent Councils.

Table 3.5: Summary of activities to deliver on the Financial Sustainability objective

Activity number	Activity	2018-2025 Strategic Plan Linkage	Metric
3.5.1	Maintain financial sustainability indicators and ratio's	Objective 3; Strategy 9	Financial Metrics achieved
3.5.2	Asset Management Plan	Objective 1; Strategies 7 & 8	Asset Management Plan developed.

DRAFT

Table 3.6: Summary of Business Plan activities

Draft 2020/2021 Annual Business Plan Identified Priority Activities	Primary Responsible Officer
Implement NAWMA's new transformational Waste Management Strategy	Chief Executive Officer
Business Improvement – Payroll Process Automation System	Chief Financial Officer
Internal Risk Assessment and Controls	Chief Financial Officer
Implement Corporate Risk Register	WHS & Environmental Officer
Service Level Agreements	Chief Operating Officer
Advocacy	Chief Executive Officer
Implement efficiency, improvement and austerity measures	Chief Financial Officer
Landfill Alternative Project	Chief Executive Officer
Upgrade of Research Road Transfer Station	Chief Operating Officer
Develop Downstream (onshore) Markets for Glass Fines	Chief Operating Officer
(Opt-out)Food Organics Garden Organics (FOGO) Business Case and Planning	Chief Executive Officer
Risk Management Software Platform (Skytrust)	WHS & Environmental Officer
LGAWCS and LGAMLS Risk Evaluation Action Plan	WHS & Environmental Officer
Anti-contamination campaign	Education and Projects Coordinator
Education Centre sessions (tour and training)	Education and Projects Coordinator
Drive continuous improvement through feedback	Team Leader Administration
Staff satisfaction survey	Chief Executive Officer
Maintain financial sustainability indicators and ratios	Chief Financial Officer
Asset Management Plan	Chief Operating Officer



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Agenda Item 9.2

Report Subject:	2019/2020 Budget Review Three (3)	Report Author:	Finance Manager
Meeting Date:	25 June 2020	Report Type:	Decision report (financial)
Attachments:	9.2.1 – FY19/20 Budget Review Three (BR3) Uniform Presentation of Finances		

RECOMMENDATION

That the Board adopt Budget Review Three (BR3) financial reports for the 2019/2020 financial year and Management be instructed to distribute Budget Review Three (BR3) to Constituent Councils.

Purpose of the Report

To allow the Board an opportunity to review and endorse Budget Review Three (3) for the 2019/2020 financial year.

Background

In accordance with the Regulation 9(1)(a) Local Government (Finance Management) Regulations 2011, NAWMA must consider at least twice, between 30 September and 31 May in the relevant financial year, a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates with the note in the Model Financial Statements Uniform Presentation of Finances.

Budget Review One (BR1) for the 2019/20 financial year was endorsed by the Board in early December 2019 via Circular Resolution and Budget Review Two was endorsed by the Board in early May 2020. In this agenda, NAWMA's Administration is providing the Board with BR3 and updates for 2019/20.

Budget Review Three (3) was endorsed by the NAWMA Audit Committee at the meeting of 18 June 2020.

Report

Operating Result

Given BR2 was undertaken in early May 2020 and the operating results for the most recent months have tracked in line with the forecast in BR2, NAWMA's Administration maintains the same operating result in BR3 with the figure in BR2 at \$1.45M deficit.

Below Table 1 summarises several proactive revenue raising/austerity measures (controllable) initiated by NAWMA's Management and other key external factors (non-controllable) from the original budget to the third Budget Review (BR3), which have influenced NAWMA's operating outcome during the 2019/2020 financial year.



Table 1; FY2019/2020 Budgeted Operating Result Overview

2019/20 Operating Result – Original Budget	\$34k	Note
Global fibre commodity market	Circa. -\$1,390k	NAWMA's much heralded domestic fibre contract had ceased with Norske Skog, exposing NAWMA to the oversupplied international fibre market since early 2019/20, the fibre prices in global commodity market remain in a low-price range during 2019/20 comparing to the predicted price in 2019/20 original budget.
Volume decrease	Circa. -\$226k	A reduction on Clean fill Intake, Waste volume decrease from commercial customers at Waste Baling Shed due to COVID-19 crisis (less waste from shops and local business)
Unexpected temporary shutdown in Suez ResourceCo	Circa. -\$55k	Temporary waste disposal cost increase due to Suez ResourceCo maintenance shutdown in Feb/Mar 2020 (caused by Adelaide Brighton Cement unplanned shutdown)
Additional Lease Cost – Research Road Transfer Station	Circa. -\$60k	Additional rent as per the property lease agreement
AASB 16 Lease Impact	Circa. -\$200k	On-paper negative impact only due to new Lease Accounting Standards effective from 1 July 19 (the impact had disclosed in 2018/19 Annual Statements)
Increased visits (sales) in Resource Recovery Centres	Circa. \$20k	More transactions in RRCs during COVID-19 crisis
Total Impact - Non-controllable	Circa. -\$1,911k	
Gate Fee Increase in both MRF and RRC	Circa. \$239k	Gate fee rate increase to some existing client councils (not in contract) commencing from average \$63.50 in early July to \$108 per tonne from Jan 2020 onwards, RRC gate fee increase from 1 Jan 2020
Labour and corporate functional review	Circa. \$38k	NAWMA is a lean organisation, but further cost saving initiatives were undertaken by NAWMA Management in early 2020 through organisational restructure, converting casual to permanent, overhead review, redundancy of one (1) Senior Manager Position
Operational Efficiency Review	Circa. \$146k	<ul style="list-style-type: none"> • Divert waste to alternative locations • Procurement control • R&M scheduling and plan • Reducing overtime • Customer payment term review
Total Impact – Controllable	Circa. \$423k	
2019/20 Operating Result - Budget Review Three (3)	- \$1,453k	

Apart from the above initiatives on revenue uplift and cost savings, NAWMA's Management has currently undertaken a number of other improvement measures, financial benefits from which are expected to be delivered from 1 July 2020 onwards. Those improvements are including transport savings from bulk transport and disposal tender, a further gate fee uplift to MRF's client councils to average \$130 p/tonne, further waste cost reductions from both MRF glass reprocessing agreement



and waste diversion initiatives. NAWMA's Administration looks forward to providing an update in the new financial year.

Capital Expenditures

A slight change has been made in this Budget Review in regard to capital investment as the Polystyrene Machine Recycling Project has been brought forward to June 2020. This initiative will give the community a better solution to recycle clean Polystyrene materials. Table 2 overleaf has listed several capital expenditure projects which have been included in BR3.

Table 2; Budget Review Three (BR3) - Capital Investment in FY20

Capital Project Name	Funds by NAWMA	Funds by Green Industries SA	(Expected) Finish Date
MRF Building Extension	\$2,338,000	\$500,000	March 2020
MRF Autonomous Robots		\$500,000	March 2020
MRF Glass Fine Recovery		\$500,000	April 2020
Polystyrene Recovery	\$33,400	\$33,400	June 2020

Cash Position

Given there is no material cash flow movement from Budget Review Two (BR2) to Budget Review Three (BR3), NAWMA's Administration believes the Authority will not need to access to the cash overdraft facility (CAD) during the 2019/20 financial year, if the current expectations on commodity market and operating conditions remain intact until the end of June 2020.

It is worth noting that the LGFA have recently announced a finance support package for Councils in light of the COVID-19 pandemic. The package offers Councils a discounted cash overdraft facility where the interest rate is a discount of 0.75% from their current standard variable interest rate of 2.2% (i.e. lowering the rate to 1.45%) for 3 years from the date of drawdown. NAWMA's Management strongly believe that this package would dramatically reduce the borrowing cost relating to CAD by almost 34% for the next financial year, given the budgeted operating result for the next financial year is an approximate \$1.5M deficit. Unfortunately, NAWMA's Management have been informed by the LGFA that this discounted loan is only offered to Councils and not to any of the Regional Subsidiaries. NAWMA's CEO has held a number of discussions with LGFA CEO Davin Lambert about the exclusion of NAWMA in this CAD discount, given NAWMA provides services to over half of all South Australian Councils. NAWMA's CEO has requested Mr Lambert formally refer this matter to the LGFA Board at their scheduled June meeting. Unfortunately, Mr Lambert advised that the LGFA Board deferred this item to their August Board Meeting. A subsequent update will be provided by NAWMA's Management at the next meeting of the Board.



NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY					
UNIFORM PRESENTATION OF FINANCES FOR THE YEAR ENDED 30 JUNE 2020					
2018/19 \$000 ACTUALS		2019/20 \$000 ADOPTED BUDGET	2019/20 \$000 BR1	2019/20 \$000 BR2	2019/20 \$000 BR3
34,034	Operating Revenues	32,574	38,664	37,889	37,889
(34,254)	less Operating Expenses	(32,540)	(38,966)	(39,342)	(39,342)
(220)	Operating Surplus/(Deficit) before Capital Amounts	34	(302)	(1,453)	(1,453)
<i>less Net Outlays on Existing Assets</i>					
-	Capital Expenditure on renewal and replacement of Existing Assets	-	(45)	(45)	(45)
1,394	<i>less Depreciation, Amortisation, Impairment and movement in Landfill Provisions</i>	1,299	2,503	2,719	2,719
1,018	<i>less Proceeds from Sales of Replaced Assets</i>	-	-	-	-
2,412		1,299	2,458	2,674	2,674
<i>less Net Outlays on New and Upgraded Assets</i>					
(480)	Capital Expenditure on New and Upgraded Assets	(4,386)	(3,838)	(3,838)	(3,905)
233	<i>less Amounts received specifically for New and Upgraded Assets</i>	1,950	1,500	2,060	2,093
-	<i>less Proceeds from Sales of Replaced Assets</i>	-	-	-	-
(247)		(2,436)	(2,338)	(1,778)	(1,811)
1,945	Net Lending / (Borrowing) for Financial Year	(1,103)	(182)	(557)	(590)

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY					
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020					
2018/19 \$000 ACTUALS		2019/20 \$000 ADOPTED BUDGET	2019/20 \$000 BR1	2019/20 \$000 BR2	2019/20 \$000 BR3
INCOME					
33,758	User Charges	32,317	38,164	37,472	37,472
209	Investment Income	22	200	204	204
67	Reimbursements	48	-	-	-
-	Other	187	300	213	213
34,034	TOTAL OPERATING REVENUE	32,574	38,664	37,889	37,889
EXPENSES					
2,753	Employee Costs	2,484	2,850	2,845	2,845
29,756	Materials, Contracts and Other Expenses	28,337	32,969	33,235	33,235
1,394	Depreciation, Amortisation and Impairment	1,299	2,503	2,719	2,719
351	Finance Costs	420	644	543	543
-	Other Expenses	-	-	-	-
34,254	TOTAL EXPENSES	32,540	38,966	39,342	39,342
(220)	OPERATING SURPLUS / (DEFICIT)	34	(302)	(1,453)	(1,453)
(9)	Net Gain / (Loss) on Disposal of Assets	-	-	-	-
233	Amounts received specifically for new/upgraded assets	1,950	1,500	1,500	1,533
4	NET SURPLUS / (DEFICIT)	1,984	1,198	47	80
-	Other Comprehensive Income				
-	Changes in revaluation surplus - infrastructure, property, plant and equipment	-	-	-	-
4	TOTAL OTHER COMPREHENSIVE INCOME	0	0	0	0
4	TOTAL COMPREHENSIVE INCOME	1,984	1,198	47	80

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY					
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020					
2018/19 \$000 ACTUALS		2019/20 \$000 ADOPTED BUDGET	2019/20 \$000 BR1	2019/20 \$000 BR2	2019/20 \$000 BR3
CASH FLOWS FROM OPERATING ACTIVITIES					
RECEIPTS					
33,342	Operating Receipts	32,552	38,464	37,685	37,685
209	Investment Receipts	22	200	204	204
PAYMENTS					
(31,429)	Operating Payments to Suppliers and Employees	(30,823)	(36,899)	(37,288)	(37,288)
(351)	Finance Costs	(420)	(357)	(321)	(321)
1,771	NET CASH RECEIVED IN OPERATING ACTIVITIES	1,331	1,408	280	280
CASH FLOWS FROM INVESTING ACTIVITIES					
RECEIPTS					
233	Amounts specifically for new or upgraded assets	1,950	1,500	2,060	2,093
1,018	Maturity of Investments	-	-	-	-
PAYMENTS					
-	Expenditure on Renewal / Replacement Assets	-	(45)	(45)	(45)
(480)	Expenditure on New / Upgraded Assets	(4,386)	(3,838)	(3,838)	(3,905)
-	Purchase of Investments	-	-	(560)	(560)
771	NET CASH USED IN INVESTING ACTIVITIES	(2,436)	(2,383)	(2,383)	(2,416)
CASH FLOWS FROM FINANCING ACTIVITIES					
RECEIPTS					
-	Proceeds from Borrowings	2,236	2,236	2,236	2,236
PAYMENTS					
(990)	Repayment of Borrowings	(1,186)	(1,137)	(1,137)	(1,137)
(990)	NET CASH USED IN FINANCING ACTIVITIES	1,050	1,099	1,099	1,099
1,552	NET INCREASE (DECREASE) IN CASH HELD	(55)	124	(1,004)	(1,037)
1,061	CASH AT BEGINNING OF REPORTING PERIOD	933	2,613	2,613	2,613
2,613	CASH AT END OF REPORTING PERIOD	878	2,737	1,609	1,576

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY					
STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2020					
2018/19 \$000 ACTUALS		2019/20 \$000 ADOPTED BUDGET	2019/20 \$000 BR1	2019/20 \$000 BR2	2019/20 \$000 BR3
	CURRENT ASSETS				
2,613	Cash and Cash Equivalents	878	2,737	1,609	1,576
64	MRF Inventory	50	64	64	64
3,172	Trade and Other Receivables	2,689	3,172	3,265	3,265
5,849	TOTAL CURRENT ASSETS	3,617	5,973	4,938	4,905
	NON-CURRENT ASSETS				
-	Financial Assets	1,018	-	560	560
14,709	Infrastructure, Property, Plant and Equipment	17,942	22,149	22,037	22,104
14,709	TOTAL NON-CURRENT ASSETS	18,960	22,149	22,597	22,664
20,558	TOTAL ASSETS	22,577	28,122	27,535	27,569
	CURRENT LIABILITIES				
3,410	Trade and Other Payables	2,271	3,410	3,970	3,970
1,186	Borrowings	991	1,192	1,016	1,016
191	Provisions	183	191	191	191
4,787	TOTAL CURRENT LIABILITIES	3,445	4,793	5,177	5,177
	NON-CURRENT LIABILITIES				
	Trade and Other Payables				
6,318	Provisions	2,659	2,698	2,698	2,698
2,698	Borrowings	7,650	12,678	12,859	12,859
-	Other Non-Current Liabilities	-	-	-	-
9,016	TOTAL NON-CURRENT LIABILITIES	10,309	15,376	15,557	15,557
13,803	TOTAL LIABILITIES	13,754	20,169	20,734	20,734
6,755	NET ASSETS	8,823	7,953	6,802	6,835
	EQUITY				
6,095	Accumulated Surplus	8,163	7,293	6,142	6,175
660	Asset Revaluation Reserve	660	660	660	660
-	Other Reserves	-	-	-	-
6,755	TOTAL EQUITY	8,823	7,953	6,802	6,835

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY					
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020					
2018/19 \$000 ACTUALS		2019/20 \$000 ADOPTED BUDGET	2019/20 \$000 BR1	2019/20 \$000 BR2	2019/20 \$000 BR3
	ACCUMULATED SURPLUS				
6,091	Balance at beginning of period	6,179	6,095	6,095	6,095
4	Net Surplus / (Deficit)	1,984	1,198	47	80
-	Transfers from reserves	-	-	-	-
-	Transfers to reserves	-	-	-	-
-	Distribution to Councils	-	-	-	-
6,095	Balance at end of period	8,163	7,293	6,142	6,175
	ASSET REVALUATION RESERVE				
660	Balance at beginning of period	660	660	660	660
-	Gain on Revaluation of Infrastructure, Property, Plant and Equipment	-	-	-	-
-	Transfers from reserve	-	-	-	-
660	Balance at end of period	660	660	660	660
6,755	TOTAL EQUITY	8,823	7,953	6,802	6,835



Proudly in Partnership with Member Councils | City of Salisbury | City of Playford | Town of Gawler
And our Client Rural and Regional Councils

Agenda Item 9.3

Report Subject:	Constituent Council Service Level Agreements (SLA)	Report Author:	Chief Executive Officer
Meeting Date:	25 June 2020	Report Type:	Decision report (operational)
Attachments:	9.3.1 – Constituent Council Service Level Agreements		

RECOMMENDATION

That:

- 1. The Report is received and noted, and**
- 2. Town of Gawler Service Level Agreement is adopted by the Board, as endorsed by the Constituent Council and;**
- 3. Pending endorsement by Council without change, the City of Playford and City of Salisbury Service Level Agreements are adopted by the Board.**

Purpose of the Report

To provide the Board with an opportunity to adopt the FY20/21 Constituent Council Service Level Agreements (SLA).

Background

The Board were presented with an update on the progress FY20/21 Draft Constituent Council SLA's at the 14 May 2020 Joint Meeting of the NAWMA Board and Audit Committee. At this time the SLA's had been marked up after consultation with each Constituent Councils Operations contact and were with the Council for endorsement at each of their respective Chambers.

Report

Town of Gawler endorsed their respective Draft SLA on 28 April 2020. The Board are asked to adopt the Town of Gawler FY20/21 Service Level Agreements to commence 1 July 2020.

City of Salisbury and City of Playford are yet to endorse their Service Level Agreements with NAWMA but are expected to at their scheduled June (22 and 23 June respective) Council meetings. The Board are asked to adopt the City of Salisbury and City of Playford Service Level Agreements at this time, provided they are endorsed by Council without change.

All three (3) Constituent Council Service Level Agreements are marked-up and appended at Attachment 9.3.1.



Service Agreement

Between

**Northern Adelaide Waste Management Authority
(NAWMA)**

And

The City of Playford (Council)

**Initiated July 2001
(to be reviewed annually)**

**Reviewed April 202019
Endorsed by Council June 2019**

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1. Parties to this Agreement

This Service Agreement is between the Northern Adelaide Waste Management Authority (NAWMA) and ~~the Council of the~~ City of Playford (~~The Council~~).

2. Scope of this Agreement

The Service Agreement is a negotiated statement of the services to be provided by NAWMA, the outcomes sought and the resources to be allocated. The Service Agreement is the accountability mechanism between NAWMA and ~~the Council~~ for waste management services as listed in this agreement and is subject to annual review. The broader relationship between NAWMA and Council is also defined by:

- Charter of the Northern Adelaide Waste Management Authority
- NAWMA Waste Management Strategy
- Annual Business Plan
- Annual Budget Forecasts

3. Service Agreement Principles

The Service Agreement has been jointly developed between ~~the Council~~ and NAWMA and is based on the following principles:

- The Authority has been established to:
 - Provide kerbside waste management collection services to the Constituent Councils;
 - Receive and dispose or market waste and recyclables from within the Region;
 - Receive and dispose or market waste and recyclables collected from outside the Region;
 - Operate and maintain the Waste Processing Facility at Edinburgh North, South Australia;
 - Operate and maintain the Baled Landfill Facility at Uleybury, South Australia;
 - Operate and maintain the public Resource Recovery Centre at Edinburgh North, South Australia
 - Operate and maintain a free Public Hazard Waste Drop of Zone inside the Edinburgh North Resource Recovery Centre
 - Operate and maintain the NAWMA Materials Resource Facility (MRF) at Edinburgh ~~ParkNorth~~, South Australia;
 - Operate and maintain the public Resource Recovery Centre at Pooraka, South Australia
 - Undertake regional promotions and education on the principles of the nationally accepted waste management hierarchy to be expanded to councils outside the Region on approval of the Board;
 - Provide customer service to Constituent councils and residents on all waste management issues to be expanded to councils outside the Region on approval of the Board;
 - Advance the optional use of waste material as a potential resource, for the achievement of the highest net benefit to the Constituent councils;
 - Oversee infrastructure requirements of local government in establishing, processing and operating resource recovery operations as appropriate;
 - Proactively manage its business in a competitive and changing environment;
 - Provide a forum for discussion and/or research for the ongoing improvement of management of waste;
 - Associate, collaborate and work in conjunction with other local government bodies for the advancement of waste management matters of common interest; and
 - Be financially self-sufficient.
- Subject to ~~the Council~~ approving the annual budget, ~~the Council~~ shall contribute via monthly invoicing the funds requested by the Board for the delivery of Council's waste management services in the annual budget, or the actual cost if this is less.
- The Service Agreement will set out the agreed processes and accountabilities to guarantee effective operation of waste management services.

- Both NAWMA and Council are committed to the provision of quality customer service for all customers of the waste management services.
- Ensure all customers have access to waste collection services.
- It is recognised that both NAWMA and Council staff participate in the delivery of enquiry and administrative service to customers for waste management services and hence we agree to collaborate in the delivery of those services.
- NAWMA to ensure that Contractors comply in all respects with the requirements of the Work Health and Safety Act 2012 and the Regulations thereunder.

4. Reporting

- NAWMA will provide to ~~the~~ Council (via Council's Board representative) copies of the minutes of all meetings of the Board within 5 business days of the date on which the meeting took place.
- NAWMA must submit its annual report on its work and operations to Council before 30 September.
- NAWMA must present its audited financial statements to Council by 15 September
- NAWMA shall present and/or report, on written request from Council, on matters being undertaken by NAWMA. NAWMA shall also provide Council with documented performance data as outlined in the service specifications.
- NAWMA must prepare a budget for waste management services for the forthcoming financial year to be submitted in draft form to Council for approval before 31 March. On adoption of the budget by the NAWMA Board a copy is to be provided to Council within 5 business days.
- Prior to 31 March, NAWMA, in collaboration with the City of Playford, must revise this Service Agreement annually and submit it in draft form to Council for approval. On adoption of the Agreement by the NAWMA Board a copy is to be provided to Council within 5 business days.
- NAWMA will ensure that any correspondence regarding Council business intended for specific Elected Members is copied to all Elected Members and relevant Council staff concurrently.
- NAWMA will provide monthly data (via invoices) on its kerbside and hard waste collection services to Council as outlined in this agreement.

5. Performance

The performance of NAWMA will be assessed by Council against each listed service and the associated performance measures as identified.

6. Cost Structures

NAWMA is charged with the responsibility for the identification of opportunities to reduce/maintain waste management costs to constituent councils. NAWMA will carry out the following in achieving this responsibility:

- Annual comparison of NAWMA's cost structures for service delivery with other local government organizations and commercial operators where the information is available.
- Identify market opportunities for utilisation of the Waste Processing Facility by external sources.
- Identify market opportunities for utilisation of the Material Recovery Facility by external sources.

- Identify waste sources/market opportunities for materials approved in the Landfill EPA Licence to access the landfill direct.
- Annual review of contractual obligations for the purpose of cost containment and/or cost reduction
- Provide total cost transparency to Council in all financial matters.

7 Collection Services

7.1 Weekly kerbside general waste collection

Description of Service

Domestic waste from Single Unit Dwellings (SUDs) is collected from the kerbside weekly using Robotic Arm Collection Vehicles (RACV) powered by Compressed Natural Gas (CNG)

The contractor is SUEZ.

Households are provided with a 140 litre red lidded mobile garbage bin (MGB) at no cost; but can elect to have an additional 140 litre or 240 litre MGB provided for an annual service fee as determined by NAWMA (in consideration of agreed waste pricing principles).

Domestic waste from Multiple Unit Dwelling (MUDs) is collected from within the property boundary on a weekly schedule using Rear End Lift (REL) Vehicles.

MUDs are provided with either 660 litre or 1100 litre MGBs, as determined by ratio of number of units/flats.

Outputs

NAWMA will be required to:

- Provide weekly kerbside collection.
- Implement waste analysis programs to measure the amount of waste going to landfill and the amount of waste being diverted from landfill.
- Conduct ~~biannual~~biennial waste stream audits to identify the type of waste and volume of recyclable materials (including organic materials) still evident in the waste stream.
- Submit monthly invoices to Council based on the cost per service multiplied by the number of households at the end of each billing month.
- Co-ordinate delivery of MGB's for new residents and replacements/repairs for bins stolen or damaged.

Performance Measures

- To maintain missed waste collections at less than 4 households per day (less than 0.02% of the total Regional daily services).
- ~~To ensure d~~Delivery of MGB's to new residents as soon as possible on occupation of premises.
- To ensure delivery of replacement bins and bin repairs is carried out by the contractor within ~~48 hours~~two business days after receiving notification by NAWMA.
- Annual evaluation of costs per service.
- Annual analysis of customer enquiry levels.
- Contractor to comply with contract specifications ~~in regards to~~in regard to rectifying service complaints.

Reporting

NAWMA will:

Provide Council with the following:

- Schedule of Services at the completion of each ~~month~~quarter
- Waste Statistics at the completion of each month (in spreadsheet and graphical form), including tonnage and number of households accessing service.

~~It is normal procedure for the above information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis. Upon request Board Agenda material can be provided via email.~~

7.2 Fortnightly kerbside recycling collection

Description of Service

Recyclable material is collected from the kerbside fortnightly using Robotic Arm Collection Vehicles (RACV) powered by Compressed Natural Gas (CNG).

The contractor is SUEZ.

Households are provided with one 240 litre MGB for storage of recyclables at no cost (this MGB is dedicated for a co-mingled recyclable collection and has a bright yellow lid). Households can obtain additional recycling bins by paying an annual service fee as determined by NAWMA (in consideration of agreed waste pricing principles).

Subject to development of a mutually agreed process, that is endorsed by both Council and the NAWMA Board, NAWMA may remove access to the recycling service for premises with regular, on-going, and significant contamination issues. These processes must include clear information and education to the affected premises prior to removal of service. An ability for residents to reinstate their recycling collection must be part of the process.

Recyclables from Multiple Unit Dwellings (MUDs) are collected from shared 240 litre MGBs on a ratio of 1 MGB per 3 units or a shared 360 litre MGB on a ratio of 1 MGB per 5 units.

~~Materials allowed to be placed in this bin include paper, cardboard, clean glass jars and bottles, food cans, milk and juice cartons, plastic containers Numbered 1-5, aluminium cans and foil trays.~~

Outputs

NAWMA will be required to:

- Provide fortnightly kerbside recycling collection.
- Collect ~~statistical~~ data to ascertain participation levels and presentation rates for the kerbside recycling collection service.
- Maintain and/or improve recovery rate of recyclables from the domestic kerbside collection, currently averaging 8 kilograms per household per service by reducing contamination and increasing diversion, through community engagement and technology improvements. For posterity, the NAWMA Strategy commits to 10% contamination and 70% diversion by 2023/2024
- Submit monthly invoices to Council based on the cost per service multiplied by the number of households at the end of each billing month.
- Co-ordinate delivery of MGB's for new residents and replacements/repairs for bins stolen and damaged.

Performance Measures

- To maintain missed recycling collections at less than 4 households per day (less than 0.02% of the total regional daily services).

- To maintain or improve the recovery rate of recyclables from the domestic kerbside recycling service.
- To ensure delivery of mobile garbage bins to new residents as soon as possible on occupation of premises
- To ensure delivery of replacement bins and bin repairs is carried out by the contractor within 48 hours after receiving notification by NAWMA
- Annual evaluation of costs per service.
- Analysis of customer enquiry levels.
- Contractor to comply with contract specifications ~~in regards to~~ in regard to rectifying service complaints
- Where comparable data is available, benchmark contamination rates in the recycling stream with other regions.

Reporting

NAWMA will:

Provide Council with the following:

- Schedule of Services at the completion of each quarter-month with any changes that have occurred during the period
- Recycling statistics at the completion of each month (in spreadsheet and graphical form), including participation, recycling tonnes, contamination tonnes and diversion rates.

~~It is normal procedure for the above information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis. Upon request Board Agenda material can be provided via email.~~

7.3 Fortnightly kerbside garden and food organics collection

Description of Service

The kerbside garden and food organics collection is available to those residents who register for the service and complies-comply with any other Council or NAWMA requirements.

Organics are collected from the kerbside fortnightly (opposite week to the recycling collection) using Robotic Arm Collection Vehicles (RACV) powered by Compressed Natural Gas (CNG)

The contractor is SUEZ.

Residents may elect to purchase a new or second hand 240 litre MGB. ~~Residents must also register for the service with NAWMA to receive the identification sticker.~~ NAWMA contractors will empty the bin as the cost is met by ~~the~~ Council.

~~Materials allowed to be placed in this bin include prunings (no greater than 100mm in diameter) grass clippings, weeds, leaves and flowers.~~

~~In addition to the above, kitchen food organics can also be placed in the organics MGB. A free kitchen bench-top basket for food organics is delivered with each new bin purchased from NAWMA or can be collected by the resident from the offices of NAWMA or Council.~~

Outputs

NAWMA will be required to:

- Facilitate discussions and strategy about increasing participation in the opt-in service through the removal of the price point (or similar mechanism), funded by Council. Changes to service only to occur after deliberation with, and endorsement by, Council
- Facilitate discussions and strategy about increasing diversion of food waste into the FOGO bin
- ~~Facilitate.....~~
 - Provide fortnightly kerbside collection as required.
 - Provide a kitchen benchtop caddy or similar for households obtaining a garden and organics collection
 - Increase participation above the ~~2018/19~~2019/20 levels for organics collection services.
 - Submit monthly invoices to Council based on the cost per service multiplied by the number of participating households at the end of each billing month.
 - Explore options for use of composted material which have greater benefits and/or reduced costs.
 - Provide literature ~~and order forms~~ for residents wanting to participate in the organics collection.
 - Encourage use of the kitchen organics bin by participating households.

Performance Measures

- To maintain missed garden and food organics collections at less than 4 households per day (less than 0.10% of the total regional daily services).
- ~~➤ To achieve annual forecasted participation levels for the organic collection service.~~
- Average kg per household (garden and food organics) increasing over time.
- Annual evaluation of costs per service.
- ~~➤ Annual analysis of customer enquiry levels.~~
- Contractor to comply with contract specifications in regards to rectifying service complaints.

Reporting

NAWMA will:

Provide Council with the following:

- Organics statistics at the completion of each month (in spreadsheet and graphical form), including tonnage, bin registrations, weight of material collected, and number of households accessing the service.

~~It is normal procedure for the above information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis. Upon request Board Agenda material can be provided via email.~~

7.4. Household ~~Hardwaste~~Hard waste Collection

Description of Service

The service provides residents with an at call household hard waste collection, available within 5-4-6 weeks of resident contacting NAWMA. Residents are entitled to two collections per ~~annum~~Financial Year, and have the choice of using a mix-combination of ~~voucher-Drop off code~~ and/or at-home kerbside collection. While residents have a choice, use of the at home kerbside collection service should be encouraged above the voucher-drop off code service.

In the event that the collection contractor fails to perform its obligations in accordance with the Contract and the Contract is terminated, ~~the~~ Council may at its discretion, choose to:

- not continue with the provision of a household hard waste collection service; or
- request NAWMA to re-contract the service and negotiate the new service with Council.

NAWMA will advise Council of any breaches by the contractor that may lead to termination of the Contract and any actions NAWMA has taken to minimise the likelihood of Contract termination.

NAWMA will use every endeavour to ensure the Contractor complies with the Contract conditions and will require from the Contractor a bank guarantee or other method of security equivalent to three (3) months full operational costs.

Outputs

NAWMA will be required to:

- Superintend the collection contract
- Provide call centre/administration/customer contact management
- Promote public awareness of the service, including utilisation of Council social media and website, news networks and NAWMA web site
- Provide education on acceptable/non acceptable items for collection
- Post booking confirmations and instructional brochure if Text Message service can not occur.
- ~~Post brochure to all residents each year in June and January.~~
- Manage on call booking system
- Facilitate disposal of residual waste
- Manage a ~~voucher~~ drop off code process on behalf of Council for residents who opt to use ~~a voucher~~ in lieu of a home kerbside collection.

Performance Measures

- In conjunction with the collection Contractor minimise residual waste to landfill – to achieve at least 90% resource recovery in accordance with the budget allocation
- To provide the service within 6 weeks of a request by a resident
- To carry out the service on the booked day of collection
- Six monthly reviews of actual costs versus budget forecasts
- Six monthly reviews of participation levels for the household collection ~~and~~ in comparison to forecast levels.
- Inclusion of operational, participation, and financial performance (actuals against budget) of the service in the Monthly Report to Council

Reporting

NAWMA will:

- Provide Council with levels of materials collected, recovered, reused and disposed of to landfill on a monthly basis
- Provide Council with levels and value of unprocessed metal collected by contractor.

8. Material Processing

8.1 Material Recovery Facility (MRF) Operation

Description of Service

The material collected from the kerbside recycling service is received at the MRF where it is sorted and prepared for markets both within Australia and worldwide.

Outputs

NAWMA will be required to:

- Pursue opportunities to increase volume of material through the MRF by additional services (external sources ie., rural Councils) or bulk material from commercial or industrial sources or schools.
- Actively seek to market processed material establishing best market prices
- Achieve <30% of waste material discarded from the MRF operation.
- Submit monthly invoices to Council based on the costs of disposing of the contamination fraction of the recyclables.

Performance Measures

- Income generated as a result of:
 - additional external services
 - additional bulk material received
 - Marketing of processed material
- <30% of waste material discarded from the MRF operation
- Annual analysis of costs per tonne of material received
- Annual analysis of percentage recovered from the waste stream

Reporting

- The ~~quarterly~~ Budget Reviews will contain detail on income received as a result of the MRF operation.
- Reporting on the annual performance measures outlined above.

8.2 Processing of Garden and Food Organics

Description of Service

The material collected from the kerbside garden and food organics collection service is delivered to accredited processors for mulching and composting.

The processing contractor is Peats Soil.

Outputs

NAWMA will be required to:

- Explore options for the mulching and composting of organics or alternative processing technologies which may have greater benefits and/or reduced costs.
- Provide on-going promotions/education targeting contamination and the need to eliminate plastics being placed in the bin.

Performance Measures

- <2% contamination received at processors.
- Annual analysis of cost per tonne of materials collected.
- Increased percentage diverted from the waste stream.

Reporting

NAWMA will:

Provide Councils with the following:

- Data on tonnage of material collected per month.
- Reports on alternative technologies as developments are released.
- Reporting on the annual performance measures outlined above.

~~It is normal procedure for the collection information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis. Upon request Board Agenda material can be provided via email.~~

9. Waste Handling and Disposal

Description of Service

The commercially unrecoverable material collected from;

- ~~the~~ Council's households via the kerbside waste collection service;
- ~~the~~ Council's waste from its operations; and
- household hard waste collection service,

is delivered to NAWMA's Waste Processing Facility (WPF) at Edinburgh North for processing.

This is achieved by:

- Baling and transport to the EPA licensed Uleybury Landfill for disposal, or
- Transported directly to ~~Suezita~~ ResourceCo for further processing into a fuel source (material not suited to the baling process).

Outputs

NAWMA will be required to:

- Receive waste from the abovementioned source, process and bale waste, transport baled waste and dispose of baled waste or transport off site for further processing.
- Submit monthly invoices to Councils based on tonnage of waste collected.

- Identify State Waste Levy charges.
- Actively source waste streams from external sources.
- Explore and evaluate options for alternate waste disposal, through the formation of a Special Purpose Vehicle (task force) reporting to the NAWMA Board which will take carriage of this highly strategic and potentially transformational project.-

Performance Measures

- Safe and responsible disposal of kerbside collected and Council waste material.
- Stabilisation/reduction in waste to landfill from kerbside collections (on a per service basis).

Reporting

NAWMA will:

Provide Council with the following:

- Data on tonnage of waste collected per month, and kilograms of waste per household per week. It is normal procedure for the collection information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis.
- Reports on the operation of the WPF and Uleybury landfill.
- Reports on waste diverted from landfill, including hard waste to fuel.
- Regular presentations to Council and/or committees.

Description of Service

Customers of the waste management services are the residents and businesses of ~~The~~ Council who utilise these services. NAWMA provides a comprehensive customer service directly to these customers by way of:

- ~~An over the counter enquiry service~~ Phone
- Service provision by NAWMA contractors
- ~~Web page information~~ Website
- ~~Direct mail~~ Email
- ~~Mobile phone app~~ My Playford App

Outputs

NAWMA will be required to:

- Prepare and document customer service procedures for waste management services in consultation with Council staff
- Maintain a 24-hour contact service to include office hours of 8:30am to 5.00pm with phones diverted to ~~an answering service~~ Voicemail outside these hours.
- Respond to all requests from residents within a 1 business day of notification being received (48 hour period during a pandemic)
- Facilitate the management of any conflict resolutions that may arise between residents and collection contractors.
- Assist Council staff in the management of service issues with residents.
- Provide information and advice to residents to promote the responsible disposal of waste in accordance with the Waste Hierarchy, NAWMA Waste Management Strategy and Business Plan
- Implement alternative means of reporting degree of customer satisfaction of services provided

Performance Measures

- Maintain a level of customer satisfaction acceptable to Council and verified through an independent regular community attitudes survey (as conducted by Council).
- Successful resolution of complaints
- Annual analysis of ~~residents~~ residents' service contacts.

Reporting

NAWMA will:

- Provide Council with statistical information on customer service performance on a quarterly request basis.

11. Promotions/Education

Description of Service

The provision of facilities, programs and information designed to create awareness towards waste minimisation, household resource recovery activities and the environment.

NAWMA will be required to consult with Constituent Councils to:

- Establish and deliver community education and engagement programs to improve waste diversion and reduce contamination across resource recovery streams.
- Develop and deliver a new contemporary recycling behaviour change campaign in consultation with Council and relevant agencies
- ~~➤ Engage with Councils business community on strategies to reduce business waste~~
- Produce and disseminate promotional/informational literature on services provided in accordance with the NAWMA Waste Management Strategy and Business Plan.
- Develop and implement an educational campaign that has a succinct and clear message to avoid, reduce, re-use and recycle.
- Where appropriate, promote/encourage the use of the Environment Education Centre and landfill interpretive display observation deck.
- Maintain and progressively develop an up to date and engaging NAWMA web site.
- Develop social media presence to provide promotional opportunities.
- Facilitate the disbursement of funds provided by contractors for promotional activities.
- ~~➤ Encourage schools to participate in the kerbside recycling collection service.~~
- ~~➤ Visit schools and community organisations on request.~~
- Utilise the various means of advertising available ie social media, local papers, community radio and cinema screen advertising.
- Develop the programming of promotional activities.
- Seek funding from outside sources for specific projects ie contractors, State Government.
- Provide staff (NAWMA) to attend Council/community activities and functions.
- An Annual Education & Promotions Plan outlining region wide initiatives and focus topics.

Performance Measures

- Feedback from residents, schools and community groups.
- Higher quality end product from MRF due to reduced contamination.
- Contamination within recycling and general waste streams is reducing (measured through monthly reporting and biennial waste audit)

Reporting

NAWMA will:

Provide Council with the following:

- Reports on promotional activities will be provided as a Board Agenda item, as required. Board meetings are held bi-monthly.
- Quarterly reports on performance measures.
- Forecasted promotional spending on planned programs in accordance with the Promotions Business Plan

~~It is normal procedure for the Education/Promotional information to be issued via the NAWMA Board Agenda on a monthly basis.~~

Description of Service

Provision of ~~two (2)~~ Resource Recovery Centres (RRC) that incorporates a public Waste Transfer Station, Salvage & Save operation and a Scout CDL Recycling Facility.

The RRC located at Edinburgh North complements NAWMA's existing Waste Processing Facility and further enhances the Authority's commitment to process waste before it is disposed to the landfill at Uleybury.

Access available to residents and small business owners in Playford for the disposal of all household waste and light commercial waste (not listed waste) including waste oils, tyres, etc.

Output

NAWMA will be required to:

- Establish gate fees (set by the NAWMA Board) that are sustainable and attractive to users. (Council has the opportunity to subsidize the cost to their residents for specific waste streams or events)
- ~~Potentially~~ handle all waste streams including certain hazardous waste (as approved by the EPA) i.e. one-stop-shop for all users
- Provide a modern and efficient Container Deposit Legislation (CDL) recycling facility
- Cater for accelerated growth and the needs of new residents in an area which is recognised as a major population centre in the near future
- Provide for sale ~~of~~ low cost goods and materials that have a value to the community
- Provide an avenue to assist disadvantaged job seekers gain work experience and relevant workplace training with the ultimate objective to transition to the open labour market
- Promote the RRC.
- Provide a high level of customer service with accessibility to be available to residents, Monday to Friday 8am to 4pm and Weekends 9am to 3pm. Closed Christmas Day, New Years Day, Good Friday, ANZAC Day and Public holidays that fall on a Monday.

Performance Measures

- ~~➤ Compile and maintain specific data on resource recovery achieved.~~
- Provide high level of WH&S for users of the facility
 - Directional and safety signage
 - Safe waste receival facilities
 - Up to date material handling procedures
 - CCTV and mobile communications system
 - Appropriately trained roaming site attendants
- Adherence to all national/state waste related policies
- Customer satisfaction to include successful resolution to complaints
- Maximise and preserve the resource integrity and value of recoverable and reusable materials
- Number of disadvantaged job seekers engaged via the social enterprise proposal and type of training provided to the recipients.
- Increasing utilisation and tonnes at RRC.

NAWMA will:

- Provide Council with statistical information regarding throughput of traffic (council residents) on a monthly basis
- Provide Council with a cost structure/gate price on a 6 monthly basis prior to any annual increases occurring

Notification

In the event that NAWMA determines that the operation of the waste transfer station is not commercially sustainable, Council requires a minimum 12 months notification advising council of the possible cessation of this service.

13. Other

As a general principle, NAWMA will continually strive to find avenues to reduce the amount of waste going to landfill. Wherever funding opportunities or other initiatives enable financially sustainable methods of recycling or reuse, NAWMA, pending Board approval, will participate in those programs. A current example is NAWMA's active participation in the E-Waste Product Stewardship Program where electronic goods can be disposed at NAWMA at no charge to the resident. These programs, while contractual in nature, are subject to external funding decisions and therefore may not be ongoing.

NAWMA will also continually investigate ways to offset the overall cost of providing waste management services to Constituent Councils by growing the commercial aspects of its business.

As an employer, NAWMA will also strive to promote the employment of local staff either directly or via its partnerships with recognised social enterprise organisations.

14. Incident and Emergency Management

This matter is covered in detail in NAWMA's Business Continuity Plan however the following principles apply:

- NAWMA will notify Council via email within a reasonable timeframe
- During emergency events NAWMA and Council will maintain daily contact
- In emergency events, collection of putrescible waste is of the highest priority

15. Endorsement of Service Agreement

The Parties to this agreement hereby agree to the intent, implicit or implied, of this Service Agreement.

Signed:

Mr Sam Green
City of Playford CEO

Date Endorsed by Council

Signed:

Mr Adam Faulkner
NAWMA CEO

Date Endorsed by Board

Service Agreement

Between

**Northern Adelaide Waste Management Authority
(NAWMA)**

And

~~The City of~~ Salisbury (Council)

**Initiated July 2001
(to be reviewed annually)**

**Reviewed April 202019
Endorsed by Council ~~May 2019~~**

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1. Parties to this Agreement

This Service Agreement is between the Northern Adelaide Waste Management Authority (NAWMA) and ~~the Council of the~~ City of Salisbury (~~The Council~~).

2. Scope of this Agreement

The Service Agreement is a negotiated statement of the services to be provided by NAWMA, the outcomes sought and the resources to be allocated. The Service Agreement is the accountability mechanism between NAWMA and ~~the Council~~ for waste management services as listed in this agreement and is subject to annual review. The broader relationship between NAWMA and Council is also defined by:

- Charter of the Northern Adelaide Waste Management Authority
- NAWMA Waste Management Strategy
- Annual Business Plan
- Annual Budget Forecasts

3. Service Agreement Principles

The Service Agreement has been jointly developed between ~~the Council~~ and NAWMA and is based on the following principles:

- The Authority has been established to:
 - Provide kerbside waste management collection services to the Constituent Councils;
 - Receive and dispose or market waste and recyclables collected from within the Region;
 - Receive and dispose or market waste and recyclables collected from outside the Region;
 - Operate and maintain the Waste Processing Facility at Edinburgh North, South Australia;
 - Operate and maintain the Baled Landfill Facility at Uleybury, South Australia;
 - Operate and maintain the public Resource Recovery Centre at Edinburgh North, South Australia;
 - Operate and maintain the public Resource Recovery Centre at Pooraka South Australia
 - Operate and maintain the NAWMA ~~Material Recovery Facility (MRF)~~ at Edinburgh Parks, South Australia
 - Undertake regional promotions and education on the principles of the nationally accepted waste management hierarchy to be expanded to councils outside the Region on approval of the Board;
 - Provide customer service to Constituent Councils and residents on all waste management issues to be expanded to councils outside the Region on approval of the Board;
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- Associate, collaborate and work in conjunction with other local government bodies for the advancement of waste management matters of common interest; and
- Be financially self-sufficient.
- Subject to ~~the~~ Council approving the annual budget, ~~the~~ Council shall contribute the funds requested by the Board for the delivery of Council's waste management services in the annual budget or actual cost if this is less.
- The Service Agreement will set out the agreed processes and accountabilities to guarantee effective operation of waste management services.
- Both NAWMA and Council are committed to the provision of quality customer service for all customers of the waste management services
- Ensure all customers have access to waste collection services.
- It is recognised that both NAWMA and Council staff participate in the delivery of enquiry and administrative service to customers for waste management services and hence we agree to collaborate in the delivery of those services.
- NAWMA to ensure that Contractors comply in all respects with the requirements of the Work Health and Safety Act 2012 and the Regulations thereunder.

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- NAWMA will provide to ~~the~~ Council (via Council's Board representative) copies of the minutes of all meetings of the Board within 5 business days of the date on which the meeting took place.
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The performance of NAWMA will be assessed by Council against each listed service and the associated performance measures as identified.

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NAWMA is charged with the responsibility for the identification of opportunities to reduce/maintain waste management costs to Constituent Councils. NAWMA will carry out the following in achieving this responsibility:

- Annual comparison of NAWMA's cost structures for service delivery with other local government organizations and commercial operators where the information is available.
- Identify market opportunities for utilization of the Waste Processing Facility by external sources

- Identify market opportunities for utilization of the Material Recovery Facility by external sources.
- Identify waste sources/market opportunities for materials approved in the Landfill EPA Licence to access the landfill direct.
- Annual review of contractual obligations for the purpose of cost containment and/or cost reduction
- Provide total cost transparency to Council in all financial matters.

7 Collection Services

7.1 Weekly kerbside waste collection

Description of Service

Domestic waste from Single Unit Dwellings (SUDs) is collected from the kerbside weekly using Robotic Arm Collection Vehicles (RACV) powered by Compressed Natural Gas (CNG). The contractor is SUEZ.

Households are provided with a 140 litre red lidded MGB at no cost; but can elect to have a 140 litre or 240 litre MGB provided for an annual service fee as determined by Council.

Domestic waste from Multiple Unit Dwelling (MUDs) is collected from within the property boundary on a weekly schedule using Rear End Lift (REL) Vehicles.

MUDs are provided with either 660 litre or 1100 litre MGBs, as determined by ratio of number of units/flats.

Outputs

NAWMA will be required to:

- Provide weekly kerbside collection.
- Implement waste analysis programs to measure the amount of waste going to landfill and the amount of waste being diverted from landfill.
- Conduct bi annual waste stream audits to identify the type of waste and volume of recyclable materials still evident in the waste stream.
- Submit monthly invoices to Council based on the cost per service multiplied by the number of households at the end of each billing month.
- Co-ordinate delivery of MGB's for new residents and replacements/repairs for bins stolen or damaged.
- [Subject to a formal request by Council in writing, and the provision of all necessary information \(bin database, fee structure etc\) at least ten \(10\) eeks prior to the new financial year, c](#)Co-ordinate requests for bin upgrades/additions and payments. Annual payments are to be credited to Council's accounts.

Performance Measures

- To maintain missed waste collections at less than 4 households per day (less than 0.02% of the total Regional daily services).
- ~~To ensure D~~elivery of mobile garbage bins to new residents occur on Monday, Wednesday and Friday, within 24 business hours of occupation of premises and after receiving information by NAWMA.
- ~~To ensure D~~elivery of replacement bins and bin repairs is carried out by the contractor within 48 hours on Monday, Wednesday and Friday, after receiving notification by NAWMA.
- Annual evaluation of costs per service.
- Annual analysis of customer enquiry levels.
- Contractor to comply with contract specifications in regards to rectifying service complaints.

Reporting

NAWMA will:

~~p~~Provide Council with the following:

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- Schedule of Services at the completion of each ~~month~~quarter
- Waste Statistics at the completion of each month (in spreadsheet and graphical form).

~~It is normal procedure for the above information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis.~~

7.2 Fortnightly kerbside recycling collection

Description of Service

Recyclable material is collected from the kerbside fortnightly using Robotic Arm Collection Vehicles (RACV) powered by Compressed Natural Gas (CNG).

The contractor is SUEZ.

Households are provided with a 240 litre MGB for storage of recyclables at no cost. (this MGB is dedicated for a co-mingled recyclable collection and has a ~~bright~~ yellow lid).

Recyclables from Multiple Unit Dwellings (MUDs) are collected from shared 240 litre MGBs on a ratio of 1 MGB per 3 units or a shared 360 litre MGB on a ratio of 1 MGB per 5 units.

~~Materials allowed to be placed in this bin include paper, cardboard, clean glass jars and bottles, food cans, milk and juice cartons, plastic containers Numbered 1–5, aluminium cans and foil trays.~~

Outputs

NAWMA will be required to:

- Provide fortnightly kerbside collection.
- Collect statistical data to ascertain participation levels and presentation rates for the kerbside recycling collection service.
- Maintain and/or improve recovery rate of recyclables from the domestic kerbside collection, currently averaging 8.5 kilograms per household per service.
- Submit monthly invoices to Council based on the cost per service multiplied by the number of households at the end of each billing month.
- Co-ordinate delivery of MGB's for new residents and replacements/repairs for bins stolen and damaged.
- Subject to a formal request by Council in writing, and the provision of all necessary information (bin database, fee structure etc) at least ten (10) eeks prior to the new financial year. Co-ordinate requests for bin upgrades/additions and payments. Annual payments are to be credited to Council's accounts.
-

Performance Measures

- To maintain missed recycling collections at less than 4 households per day (less than 0.02% of the total regional daily services).
- To maintain or improve the recovery rate of recyclables from the domestic kerbside recycling service.
- ~~To ensure~~ Delivery of mobile garbage bins to new residents occurs on Monday, Wednesday and Friday, within 24 business hours of occupation of premises and after receiving information by NAWMA.

- ~~To ensure~~ Delivery of replacement bins and bin repairs is carried out by the contractor ~~within 48 hours on Monday, Wednesday and Friday,~~ after receiving notification by NAWMA
- Annual evaluation of costs per service.
- Analysis of customer enquiry levels.
- Contractor to comply with contract specifications in regards to rectifying service complaints.

Reporting

NAWMA will:

~~Provide~~ Council with the following:

- Schedule of Services at the completion of each ~~month~~quarter.
- Recycling statistics at the completion of each month (in spreadsheet and graphical form).
- Graphical data on monthly recycling volumes and diversion rates.

~~It is normal procedure for the above information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis.~~

7.3 Fortnightly kerbside garden and food organics collection

Description of Service

The kerbside garden and food organics collection is available to those residents who register for the service and complies with any other Council or NAWMA requirements.

Organics are collected from the kerbside fortnightly (opposite week to the recycling collection) using Robotic Arm Collection Vehicles (RACV) powered by Compressed Natural Gas (CNG). The contractor is SUEZ.

Residents may elect to purchase a new or second hand 240 litre MGB. ~~If the bin is purchased outside of NAWMA then residents must contact NAWMA to register the service. Residents must also register for the service with NAWMA to receive the identification sticker. Once the bin is registered with NAWMA and the appropriate sticker displayed,~~ NAWMA contractors will empty the bin as the cost is met by ~~the~~ Council.

~~Materials allowed to be placed in this bin include prunings (no greater than 100mm in diameter), grass clippings, weeds, leaves and flowers.~~

~~In addition to the above, kitchen food organics can also be placed in the organics MGB.~~ A free kitchen bench-top basket for food organics is delivered with each new bin purchased from NAWMA ~~or can be collected by the resident from the offices of NAWMA or Council.~~

Outputs

NAWMA will be required to:

- Facilitate discussions about increasing participation in the opt-in service through the removal of the price point (or similar mechanism), funded by Council
- Provide fortnightly kerbside collection as required.
- Provide a kitchen benchtop caddy or similar for households obtaining a garden and organics collection.

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- Increase participation above the 2019/2020 levels for organics collection services.
- Submit monthly invoices to Council based on the cost per service multiplied by the number of participating households at the end of each billing month.
- Explore options for use of composted material which have greater benefits and/or reduced costs.
- Provide literature ~~and order forms~~ for residents wanting to participate in the organics collection.
- Subject to a formal request by Council in writing, and the provision of all necessary information (bin database, fee structure etc) at least ten (10) weeks prior to the new financial year, co-ordinate requests for bin upgrades/additions and payments. Annual payments are to be credited to Council's accounts.

Performance Measures

- To maintain missed garden and food organics collections at less than 4 households per day (less than 0.10% of the total regional daily services).
- To achieve annual forecasted participation levels for the organic collection service.
- Annual evaluation of costs per service.
- Annual analysis of customer enquiry levels.
- Contractor to comply with contract specifications in regards to rectifying service complaints.

Reporting

NAWMA will:

Provide Council with the following:

- Organics statistics at the completion of each month (in spreadsheet and graphical form).
- Graphical data on organics registrations, volume of material collected and percentage of services.

It is normal procedure for the above information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis.

7.4 Household ~~Hard waste~~ Hard waste Collection

Description of Service

To provide residents with a household hard waste collection service. ~~The service is an~~ at-call booking system whereby service is provided within ~~4-6-5~~ weeks of resident contacting NAWMA. Residents are entitled to two hard waste services per financial year as of 1 July 2018, being either two kerbside at-home collection services, or two ~~drop off codes~~ vouchers enabling access to the Research Road ~~Resource Recovery Centre~~ Waste Transfer Station, or a mix of one kerbside at-home collection service and one ~~Drop Off code~~ Transfer Station voucher.

In addition, NAWMA will issue ~~vouchers~~ Drop Off Codes to Non Profit Organisations who may access the ~~Resource Recovery Centre~~ Waste Transfer Station (not the home collection service) up to six times in any calendar year with no more than two ~~Drop Off Codes~~ vouchers per quarter. Trailer size for non profit organisations should not exceed 2.1 x 1.5 x 2.0 metres.

The contractor is SUEZ.

In the event that the collection contractor fails to perform its obligations in accordance with the contract and the contract is terminated, ~~the~~ Council may at its discretion, choose to:

- Not continue with the provision of a household hard waste collection service; or
- Request NAWMA to re-contract the service and negotiate the new service with Council

NAWMA will advise Council of any breaches by the contractor that may lead to termination of the Contract and any actions NAWMA has taken to minimise the likelihood of Contract termination.

NAWMA will use every endeavour to ensure the Contractor complies with the Contract conditions and will require from the Contractor a bank guarantee or other method of security equivalent to three (3) months full operational costs.

Outputs

NAWMA will be required to:

- Superintend the collection contract
- Provide call centre/administration/customer contact management Promote public awareness of the service
 - Salisbury Aware advertisements
 - Residents advised of WTS ~~drop off code~~~~voucher~~ system in all advertisements
 - Utilisation of Council, social media, news networks, web-site and NAWMA web sites.
 - ~~Notification to all residents of the service change~~
- Provide education on acceptable/non acceptable items for collection
- Manage ~~voucher~~~~drop off code~~ system for residents and ~~Non-profit~~Nonprofit Organisations
- Manage co-contribution from residents for the household collection
- Manage on call booking system
- Facilitate disposal of residual waste
- Submit monthly invoices to Council based on the following:
 - the cost per service multiplied by the number of households at the end of each billing period
 - the cost of disposal of the residual fraction of the collected hard waste; and
 - the monthly promotion costs.
- Submit monthly recovery of resident contribution at the end of each billing month

Performance Measures

- In conjunction with the collection Contractor minimise residual waste to landfill – to achieve at least 90% resource recovery in accordance with the budget allocation
- To carry out the service on the booked day of collection
- Six monthly reviews of actual costs versus budget forecasts
- Six monthly reviews of participation levels for both the household collection and take-up for the voucher system in comparison to forecast levels.

Reporting

NAWMA will:

- Provide Council with levels of materials collected, recovered, reused and disposed of to landfill on a monthly basis
- Provide Council with levels of unprocessed metal collected by contractor and value of this material withheld as required by the contract between NAWMA and the contractor

- Advise residents of levels of materials collected in bi- annual advertisements in both The Messenger and Salisbury Aware magazine

8. Material Processing

8.1 Material Recovery Facility (MRF) Operation

Description of Service

The material collected from the kerbside recycling service is received at the MRF where it is sorted and prepared for markets both ~~within Australia and worldwide domestically, or internationally where Australian markets cannot be secured~~

Outputs

NAWMA will be required to:

- Pursue opportunities to increase volume of material through the MRF by additional services (external sources ie., rural Councils) or bulk material from commercial or industrial sources or schools.
- Actively seek to market processed material establishing best market prices
- Achieve <30% of waste material discarded from the MRF operation.
- Submit monthly invoices to Council based on the costs of disposing of the contamination fraction from Councils recyclables.

Performance Measures

- Income generated as a result of:
 - additional external services
 - additional bulk material received.
 - Marketing of processed material
- <30% of waste material discarded from the MRF operation.
- Annual analysis of costs per tonne of material received.
- Annual analysis of percentage recovered from the waste stream.

Reporting

- The ~~quarterly~~ Budget Reviews will contain detail on ~~income-the operating result received as a result from-of~~ the MRF operation.

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8.2 Processing of Garden and Food Organics

Description of Service

The material collected from the kerbside garden and food organics collection service is delivered to accredited processors for mulching and composting.

The processing contractor is Peats Soil.

Outputs

NAWMA will be required to:

- Explore options for the mulching and composting of organics or alternative processing technologies which may have greater benefits and/or reduced costs.
- Submit monthly invoices to Council based on tonnage of organics collected and delivered for processing.
- Provide on-going promotions/education targeting contamination and the need to eliminate plastics being placed in the bin.

Performance Measures

- <2% contamination received at processors.
- Annual analysis of cost per tonne of materials collected.
- Annual analysis of percentage recovered from the waste stream

Reporting

NAWMA will:

Provide Councils with the following:

- Data on tonnage of material collected per quarter.
- Reports on alternative technologies as developments are released.

It is normal procedure for the collection information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis.

9. Waste Handling and Disposal

Description of Service

The commercially unrecoverable material collected from;

- ~~the~~ Council's households via the kerbside waste collection services; and
 - household ~~hardwaste~~hard waste collection service,
- is delivered to NAWMA's Waste Processing Facility (WPF) at Edinburgh North for processing. This is achieved by:
- Baling and transport to the EPA licensed Uleybury Landfill for disposal, or
 - Transported directly to [SuezSita ResourceCo](#) for further processing into a fuel source (material not suited to the baling process).

Outputs

NAWMA will be required to:

- Receive waste from the abovementioned source, process and bale waste, transport baled waste and dispose of baled waste or transport off site for further processing.
- Submit monthly invoices to Councils based on tonnage of waste collected.
- Identify State Waste Levy charges.
- ~~Actively source waste streams from external sources.~~

- Explore and evaluate options for alternate waste disposal.

Performance Measures

- Safe and responsible disposal of kerbside collected waste material.
 - Stabilisation/reduction in waste to landfill from kerbside collections (on a per service basis).

Reporting

NAWMA will:

Provide council with the following:

- Data on tonnage of waste collected per month, and kilograms of waste per household per week. It is normal procedure for the collection information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis.
- Reports on the operation of the WPF and Uleybury landfill.
- Reports on waste diverted from landfill.
- Regular presentations to council and/or committees.

10. Customer Service

Description of Service

Customers of the waste management services are the residents and businesses of ~~The~~ Council who utilise these services. NAWMA provides a comprehensive customer service directly to these customers by way of:

- ~~An over the counter enquiry service~~
- Phone
- Service provision by NAWMA contractors
- ~~Web page information~~Website
- ~~Direct mail~~Email
- ~~Mobile phone app~~My Local Services App

Outputs

NAWMA will be required to:

- .
- Prepare and document customer service procedures for waste management services
- Maintain a 24-hour contact service to include office hours of 8:30am to 5.00pm with phones diverted to ~~an answering service~~Voicemail outside these hours.
- Action all requests from residents within a 24 hour period of notification being received (48 hour period during a pandemic)
- Facilitate the management of any conflict resolutions that may arise between residents and collection contractors.
- Assist Council staff in the management of service issues with residents.
- Provide information and advice to residents to promote the responsible disposal of waste in accordance with the Waste Hierarchy, NAWMA Waste Management Strategy and Business Plan

Performance Measures

- Maintain a level of customer satisfaction acceptable to Council and verified through regular community attitudes survey (as conducted by Council).
- Successful resolution of complaints
- Annual analysis of residents service contacts.

Reporting

NAWMA will:

- Provide Council with statistical information on service performance on a [quarterly request](#) basis.
- Implement alternative means of ascertaining degree of customer satisfaction of services provided.

11. Promotions/Education

Description of Service

The provision of facilities, programs and information designed to create awareness towards waste minimisation, household resource recovery activities and the environment.

Outputs

NAWMA will be required to consult with Constituent Councils to:

- Develop and deliver a new contemporary recycling behaviour change campaign in consultation with Council and relevant agencies
- Engage with Councils business community on strategies to reduce business waste
- Produce and disseminate promotional/informational literature on services provided in accordance with the NAWMA Waste Management Strategy and Business Plan.
- Develop and implement an educational campaign that has a succinct and clear message to avoid, reduce, re-use and recycle.
- Where appropriate, promote/encourage the use of the ~~Environment~~ Adult Education Centre and landfill interpretive display observation deck.
- Maintain and progressively develop NAWMA's web site.
- Develop social media presence to provide promotional opportunities.
- Facilitate the disbursement of funds provided by contractors for promotional activities.
- Encourage schools to participate in the kerbside recycling collection service.
- Visit schools and community organisations on request.
- Utilise the various means of advertising available ie social media, local papers, community radio and cinema screen advertising.
- Develop the programming of promotional activities.
- Seek funding from outside sources for specific projects ie contractors, State Government.
- Provide staff (NAWMA) to attend Council/community activities and functions.

Performance Measures

- Level of recyclables collected being maintained or increased.
- Feedback from residents, schools and community groups.
- Higher quality end product from MRF due to reduced contamination.

Reporting

NAWMA will:

Provide Council with the following:

- Reports on promotional activities will be provided as a Board Agenda item, as required. Board meetings are held bi-monthly.
- Forecasted promotional spending on planned programs in accordance with the Promotions Business Plan.

~~It is normal procedure for the Education/Promotional information to be issued via the NAWMA Board Agenda on a monthly basis.~~

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13. Other

As defined in the Lease Agreement and associated Schedules, NAWMA will manage and operate the Research Road Transfer Station.

It is acknowledged that NAWMA will operate the Research Road Transfer Station and Edinburgh North (Bellchambers Road) Resource Recovery Centre/Waste Processing Facility in a harmonised way, so that Constituent Councils and residents can utilise both facilities in a consistent manner.

As a general principal, NAWMA will continually strive to find avenues to reduce the amount of waste going to landfill. Wherever funding opportunities or other initiatives enable financially sustainable methods of recycling or reuse, NAWMA, pending Board approval, will participate in those programs. A current example is NAWMA's active participation in the E-Waste Product Stewardship Program where electronic goods can be disposed at NAWMA at no charge to the resident. These programs, while contractual in nature, are subject to external funding decisions and therefore may not be ongoing.

NAWMA will also continually investigate ways to offset the overall cost of providing waste management services to Constituent Councils by growing the commercial aspects of its business.

As an employer, NAWMA will also strive to promote the employment of local staff either directly or via its partnerships with recognised social enterprise organisations.

14. Incident and Emergency Management

This matter is covered in detail in NAWMA's Business Continuity Plan however the following principles apply:

- NAWMA will notify Council via email within a reasonable timeframe
- During emergency events NAWMA and Council will maintain daily contact
- In emergency events, collection of putrescible waste is of the highest priority

15. Endorsement of Service Agreement

The Parties to this agreement hereby agree to the intent, implicit or implied, of this Service Agreement.

Signed:

Mr John Harry
City of Salisbury CEO

Date Endorsed by Council

Signed:

Mr Adam Faulkner
NAWMA CEO

Date Endorsed by Board

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Service Agreement

Between

**Northern Adelaide Waste Management Authority
(NAWMA)**

And

The Town ~~o~~f Gawler (Council)

**Initiated July 2001
(to be reviewed annually)**

**Reviewed April 20~~20~~19
Endorsed by Council ~~May 2019~~**

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Description of Service

Domestic waste from Single Unit Dwellings (SUDs) is collected from the kerbside weekly using Robotic Arm Collection Vehicles (RACV) powered by Compressed Natural Gas (CNG). The contractor is SUEZ.

Households are provided with a 140 litre red lidded MGB at no cost; but can elect to have a 140 litre or 240 litre MGB provided for an annual service fee as determined by Council.

Domestic waste from Multiple Unit Dwelling (MUDs) is collected from within the property boundary on a weekly schedule using Rear End Lift (REL) Vehicles.

MUDs are provided with either 660 litre or 1100 litre MGBs, as determined by ratio of number of units/flats.

Outputs

NAWMA will be required to:

- Provide weekly kerbside collection.
- Implement waste analysis programs to measure the amount of waste going to landfill and the amount of waste being diverted from landfill.
- Conduct bi annual waste stream audits to identify the type of waste and volume of recyclable materials still evident in the waste stream.
- Submit monthly invoices to Council based on the cost per service multiplied by the number of households at the end of each billing month.
- Co-ordinate delivery of MGB's for new residents and replacements/repairs for bins stolen or damaged.

Performance Measures

- To maintain missed waste collections at less than 4 households per day (less than 0.02% of the total regional daily services).
- ~~To ensure~~ Delivery of mobile garbage bins to new residents ~~within 24 business hours of occupation of premises and occur on Monday and Thursday~~, after receiving information by NAWMA.
- ~~To ensure~~ Delivery of replacement bins and bin repairs is carried out by the contractor ~~within 24 business hours on Monday and Thursday~~, after receiving notification by NAWMA.
- Annual evaluation of costs per service.
- Annual analysis of customer enquiry levels.
- Contractor to comply with contract specifications in regards to rectifying service complaints.



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Reporting

NAWMA will:

Provide Council with the following:

- Schedule of Services at the completion of each month
- ~~Waste-Waste~~ Statistics at the completion of each quarter-month (in spreadsheet and graphical form).

~~It is normal procedure for the above information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis.~~

7.2 Fortnightly kerbside recycling collection

Description of Service

Recyclable material is collected from the kerbside fortnightly using Robotic Arm Collection Vehicles (RACV) powered by Compressed Natural Gas (CNG).

The contractor is SUEZ.

Households are provided with a 240 litre MGB for storage of recyclables at no cost ~~_-~~ (this MGB is dedicated for a co-mingled recyclable collection and has a ~~bright~~ yellow lid).

~~Materials allowed to be placed in this bin include paper, cardboard, clean glass jars and bottles, food cans, milk and juice cartons, plastic containers Numbered 1 – 5, aluminium cans and foil trays.~~

Outputs

NAWMA will be required to:

- Provide fortnightly kerbside collection.
- Collect statistical data to ascertain participation levels and presentation rates for the kerbside recycling collection service.
- Maintain and/or improve recovery rate of recyclables from the domestic kerbside collection, currently averaging 8.5 kilograms per household per service.
- Submit monthly invoices to Council based on the cost per service multiplied by the number of households at the end of each billing month.
- Co-ordinate delivery of MGB's for new residents and replacements/repairs for bins stolen and damaged.

Performance Measures

- To maintain missed recycling collections at less than 4 households per day (less than 0.02% of the total regional daily services).
- To maintain or improve the recovery rate of 8.5 kilograms per household per service of recyclables from the domestic kerbside recycling service.
- ~~To ensure D~~elivery of mobile garbage bins to new residents on Monday and Thursday, within 24 business hours of occupation of premises and after receiving information by NAWMA.
- ~~To ensure D~~elivery of replacement bins and bin repairs is carried out by the contractor on Monday and Thursday, within 24 business hours after receiving notification by NAWMA

- Annual evaluation of costs per service.
- Analysis of customer enquiry levels.
- Contractor to comply with contract specifications in regards to rectifying service complaints

Reporting

NAWMA will:

Provide Council with the following:

- Schedule of Services at the completion of each month.
- Recycling statistics at the completion of each ~~month~~quarter (in spreadsheet and graphical form).
- Graphical data on monthly recycling volumes and diversion rates.

~~It is normal procedure for the above information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis.~~

7.3 Fortnightly kerbside garden and food organics collection

Description of Service

The kerbside garden and food organics collection is available to those residents who register for the service and complies with any other Council or NAWMA requirements.

Organics are collected from the kerbside fortnightly (opposite week to the recycling collection) using Robotic Arm Collection Vehicles (RACV) powered by Compressed Natural Gas (CNG)

The contractor is SUEZ.

Residents may elect to purchase a new or second hand 240 litre MGB. ~~If the bin is purchased outside of NAWMA then residents must contact NAWMA to register the service. Once the bin is registered with NAWMA and the appropriate sticker displayed,~~ NAWMA contractors will empty the bin as the cost is met by ~~the~~ Council.

~~Materials allowed to be placed in this bin include prunings (no greater than 100mm in diameter) grass clippings, weeds, leaves and flowers.~~

~~In addition to the above, kitchen food organics can also be placed in the organics MGB. A free kitchen bench-top basket for food organics is delivered with each new bin purchased from NAWMA or can be collected by the resident from the offices of NAWMA or Council.~~

Outputs

NAWMA will be required to:

- Facilitate discussions about increasing participation..... in the opt-in service through the removal of the price point (or similar mechanism), funded by Council
- Provide fortnightly kerbside collection as required.
- Increase participation above the 2018/19 levels for organics collection services.
- Submit monthly invoices to Council based on the cost per service multiplied by the number of participating households at the end of each billing month

- Explore options for use of composted material which have greater benefits and/or reduced costs.
- Provide literature and order forms for residents wanting to participate in the organics collection.

Performance Measures

- To maintain missed garden and food organics collections at less than 4 households per day (less than 0.12% of the total regional daily services).
- To achieve annual forecasted participation levels for the organic collection service.
- Annual evaluation of costs per service.
- Annual analysis of customer enquiry levels.
- Contractor to comply with contract specifications in regards to rectifying service complaints.

Reporting

NAWMA will:

Provide Council with the following:

- Organics statistics at the completion of each month (in spreadsheet and graphical form).
- Graphical data on organics registrations, volume of material collected and percentage of services.

7.4 Household Hard Waste Collection Service

Description of Service

If requested in writing by Council, to provide residents with a household hard waste collection service. The service is an at-call booking system whereby service is provided within 4-6 weeks of resident contacting NAWMA. Residents are entitled to one hard waste service per financial year, being either kerbside at-home collection service or drop off code enabling access to the Edinburgh North Resource Recovery Centre or Eco Waste

The contractor is SUEZ.

In the event that the collection contractor fails to perform its obligations in accordance with the contract and the contract is terminated, Council may at its discretion, choose to:

- Not continue with the provision of a household hard waste collection service; or
- Request NAWMA to re-contract the service and negotiate the new service with Council

NAWMA will advise Council of any breaches by the contractor that may lead to termination of the Contract and any actions NAWMA has taken to minimise the likelihood of Contract termination.

NAWMA will use every endeavour to ensure the Contractor complies with the Contract conditions and will require from the Contractor a bank guarantee or other method of security equivalent to three (3) months full operational costs.

Outputs

NAWMA will be required to:

- Superintend the collection contract
- Provide call centre/administration/customer contact management Promote public awareness of the service
 - Residents advised of drop off code system in all advertisements
 - Utilisation of Council, social media, news networks, web-site and NAWMA web sites.
- Provide education on acceptable/non acceptable items for collection
- Manage drop off code system for residents
- Manage co-contribution from residents for the household collection
- Manage on call booking system
- Facilitate disposal of residual waste
- Submit monthly invoices to Council based on the following:
 - the cost per service multiplied by the number of households at the end of each billing period
 - the cost of disposal of the residual fraction of the collected hard waste; and
 - the monthly promotion costs.
- Submit monthly recovery of resident contribution at the end of each billing month

Performance Measures

- In conjunction with the collection Contractor minimise residual waste to landfill – to achieve at least 90% resource recovery in accordance with the budget allocation
- To carry out the service on the booked day of collection
- Six monthly reviews of actual costs versus budget forecasts
- Six monthly reviews of participation levels for both the household collection and take-up for the voucher system in comparison to forecast levels.

Reporting

NAWMA will:

- Provide Council with levels of materials collected, recovered, reused and disposed of to landfill on a monthly basis
- Provide Council with levels of unprocessed metal collected by contractor and value of this material withheld as required by the contract between NAWMA and the contractor
- Advise residents of levels of materials collected in bi- annual advertisements in relevant media location

~~A hard waste collection service is to be considered for those residents who register for the service and complies with any other Council or NAWMA requirements.~~

~~The provision of a hard waste service will be through the endorsement of such a service by the Council.~~

Outputs

NAWMA will be required to:

- Provide fortnightly kerbside collection as required.
- Increase participation above the 2018/19 levels for organics collection services.
- Submit monthly invoices to Council based on the cost per service multiplied by the number of participating households at the end of each billing month
- Explore options for use of composted material which have greater benefits and/or reduced costs.
- Provide literature and order forms for residents wanting to participate in the organics collection.

Performance Measures

- To maintain missed garden and food organics collections at less than 4 households per day (less than 0.12% of the total regional daily services).
- To achieve annual forecasted participation levels for the organic collection service.
- Annual evaluation of costs per service.
- Annual analysis of customer enquiry levels.
- Contractor to comply with contract specifications in regards to rectifying service complaints.

Reporting

NAWMA will:

Provide Council with the following:

- Organics statistics at the completion of each month (in spreadsheet and graphical form).
- Graphical data on organics registrations, volume of material collected and percentage of services.

It is normal procedure for the above information to be issued via the NAWMA Board Agenda as a data pack as required.

8. Material Processing

8.1 Material Recovery Facility (MRF) Operation

Description of Service

The material collected from the kerbside recycling service is received at the MRF where it is sorted and prepared for markets both within Australia and worldwide.

Outputs

NAWMA will be required to:

- Pursue opportunities to increase volume of material through the MRF by additional services (external sources ie., rural Councils) or bulk material from commercial or industrial sources or schools.
- Actively seek to market processed material establishing best market prices
- Achieve <30% of waste material discarded from the MRF operation.

- Submit monthly invoices to Council based on the costs of disposing of the contamination fraction of the recyclables.

Performance Measures

- Income generated as a result of:
 - additional external services
 - additional bulk material received
 - Marketing of processed material
- <30% of waste material discarded from the MRF operation.
- Annual analysis of costs per tonne of material received.
- Annual analysis of percentage recovered from the waste stream.

Reporting

- The ~~quarterly~~ Budget Reviews will contain detail on income received as a result of the MRF operation.

8.2 Processing of Garden and Food Organics

Description of Service

The material collected from the kerbside garden and food organics collection service is delivered to accredited processors for mulching and composting.

The processing contractor is Peats Soil.

Outputs

NAWMA will be required to:

- Explore options for the mulching and composting of organics or alternative processing technologies which may have greater benefits and/or reduced costs.
- Submit monthly invoices to Council based on tonnage of organics collected and delivered for processing.
- Provide on-going promotions/education targeting contamination and the need to eliminate plastics being placed in the bin.

Performance Measures

- <2% contamination received at processors.
- Annual analysis of cost per tonne of materials collected.
- Annual analysis of percentage recovered from the waste stream.

Reporting

NAWMA will:

Provide Councils with the following:

- Data on tonnage of material collected per quarter.
- Reports on alternative technologies as developments are released.

~~It is normal procedure for the collection information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis.~~

9. Waste Handling and Disposal

Description of Service

The material collected from;

- ~~the~~ Councils households via the kerbside waste collection services;
- ~~the~~ Councils waste from its operations, and;
- ~~the~~ Councils hard waste service if provided

is delivered to NAWMA's Waste Processing Facility (WPF) at Edinburgh North for processing. This is achieved by:

- Baling and transport to the EPA licensed Uleybury Landfill for disposal, or
- Transported directly to Sita ResourceCo for further processing into a fuel source (material not suited to the baling process).

Outputs

NAWMA will be required to:

- Receive waste from the abovementioned sources, process and bale waste, transport baled waste and dispose of baled waste or transport off site for further processing.
- Submit monthly invoices to Council based on tonnage of waste collected.
- Identify State Waste Levy charges.
- Actively source waste streams from external sources.
- Explore and evaluate options for alternate waste disposal.

Performance Measures

- Safe and responsible disposal of kerbside collected and Council waste material.
- Stabilisation/reduction in waste to landfill from kerbside collections (on a per service basis).

Reporting

NAWMA will:

Provide council with the following:

- Data on tonnage of waste collected per month, and kilograms of waste per household per week. ~~It is normal procedure for the collection information to be issued via the NAWMA Board Agenda as a data pack on a quarterly basis.~~
- Reports on the operation of the WPF and Uleybury landfill.
- Reports on waste diverted from landfill.
- ~~Regular presentations~~Present to Council and/or ~~Council e~~Council Committees where required.

10. Customer Service

Description of Service

Customers of the waste management services are the residents and businesses of ~~The~~ Council who utilise these services. NAWMA provides a comprehensive customer service directly to these customers by way of:

- ~~An over the counter enquiry service~~ Face to face contact at NAWMA Administration building Phone
- Service provision by NAWMA contractors
- ~~Web page information~~ Website
- ~~Direct mail~~ Email
- ~~Mobile phone app~~ My Local Services App

Outputs

NAWMA will be required to:

- -Prepare and document customer service procedures for waste management services
- Maintain a 24-hour contact service to include office hours of 8:30am to 5.00pm with phones diverted to ~~an answering service~~ Voicemail outside these hours.
- Action all requests from residents within a 24 hour period of notification being received (48 hour period during a pandemic)
- Facilitate the management of any conflict resolutions that may arise between residents and collection contractors.
- Assist Council staff in the management of service issues with residents.
- Provide information and advice to residents to promote the responsible disposal of waste in accordance with the Waste Hierarchy, NAWMA Waste Management Strategy and Business Plan.

Performance Measures

- Maintain a level of customer satisfaction acceptable to Council and verified through regular community attitudes survey (as conducted by Council).
- Successful resolution of complaints
- Annual analysis of residents' service contacts.

Reporting

NAWMA will:

- Provide Council with ~~statistical information on service performance on a quarterly basis~~ feedback as ascertained through Survey results
- Implement alternative means of ascertaining degree of customer satisfaction of services provided.

11. Promotions/Education

Description of Service

The provision of facilities, programs and information designed to create awareness towards waste minimisation, household resource recovery activities and the environment.

Outputs

NAWMA will be required to consult with Constituent Councils to:

- Develop and deliver a new contemporary recycling behaviour change campaign in consultation with Council and relevant agencies
- Engage with Councils business community on strategies to reduce business waste
- Produce and disseminate promotional/informational literature on services provided in accordance with the NAWMA Waste Management Strategy and Business Plan.
- Develop and implement an educational campaign that has a succinct and clear message to avoid, reduce, re-use and recycle.
- Where appropriate, promote/encourage the use of the Environment-Adult Education Centre and landfill interpretive display observation deck.
- Maintain and progressively develop NAWMA's web site.
- Develop social media presence to provide promotional opportunities.
- Facilitate the disbursement of funds provided by contractors for promotional activities.
- Encourage schools to participate in the kerbside recycling collection service.
- Visit schools and community organisations on request.
- Utilise the various means of advertising available ie social media, local papers, community radio and cinema screen advertising.
- Develop the programming of promotional activities.
- Seek funding from outside sources for specific projects ie contractors, State Government.
- Provide staff (NAWMA) to attend Council/community activities and functions.

Performance Measures

- Level of recyclables collected being maintained or increased.
- Feedback from residents, schools and community groups.
- Higher quality end product from MRF due to reduced contamination.

Reporting

NAWMA will:

Provide Council with the following:

- Reports on promotional activities.
- Forecasted promotional spending on planned programs in accordance with the Promotions Business Plan.

~~It is normal procedure for the Education/Promotional information to be issued via the NAWMA Board Agenda on a monthly basis.~~

12 Waste Transfer Station Services

Description of Service

Provision of ~~two (2)~~ Resource Recovery Centres (RRC) that incorporates a public Waste Transfer Station, Salvage & Save operation and a Scout CDL Recycling Facility.

The RRC located at Edinburgh North compliments NAWMA's existing Waste Processing Facility and further enhances the Authority's commitment to process waste before it is disposed to the landfill at Uleybury.

Access available to residents and small business owners in Gawler for the disposal of all household waste and light commercial waste (not listed waste) including waste oils, tyres, etc.

Output

NAWMA will be required to:

- Establish gate fees (set by the NAWMA Board) that are sustainable and attractive to users. (Council has the opportunity to subsidize the cost to their residents for specific waste streams or events)
- Potentially handle all waste streams including certain hazardous waste (as approved by the EPA) i.e. one-stop-shop for all users
- Provide a modern and efficient CDL recycling facility
- Cater for accelerated growth and the needs of new residents in an area which is recognised as a major population centre in the near future
- Provide for sale low cost goods and materials that have a value to the community
- Provide an avenue to assist disadvantaged job seekers gain work experience and relevant workplace training with the ultimate objective to transition to the open labour market
- Provide a high level of customer service with accessibility to be available to residents, six day of the week to include weekends (excludes Mondays, Christmas Day, New Years Day, Good Friday, Anzac Day and Australia Day)
- Opening hours to be as follows:
 - Weekdays 8am to 4pm
 - Weekends 9am to 3pm

Performance Measures

- Compile and maintain specific data on resource recovery achieved.
- Provide high level of WH&S for users of the facility
 - Directional and safety signage
 - Safe waste receival facilities
 - Up to date material handling procedures
 - CCTV and mobile communications system
 - Appropriately trained roaming site attendants
- Adherence to all national/state waste related policies
- Customer satisfaction to include successful resolution to complaints
- Maximise and preserve the resource integrity and value of recoverable and reusable materials
- Number of disadvantaged job seekers engaged via the social enterprise proposal and type of training provided to the recipients.

Reporting

NAWMA will:

- Provide council with statistical information regarding throughput of traffic (council residents) on a quarterly basis.
- Provide Council with a cost structure/gate price on a 6 monthly basis prior to any annual increases occurring.

13. Other

As a general principal, NAWMA will continually strive to find avenues to reduce the amount of waste going to landfill. Wherever funding opportunities or other initiatives enable financially sustainable methods of recycling or reuse, NAWMA, pending Board approval, will participate in those programs. A current example is NAWMA's active participation in the E-Waste Product Stewardship Program where electronic goods can be disposed at NAWMA at no charge to the resident. These programs, while contractual in nature, are subject to external funding decisions and therefore may not be ongoing.

NAWMA will also continually investigate ways to offset the overall cost of providing waste management services to Constituent Councils by growing the commercial aspects of its business.

As an employer, NAWMA will also strive to promote the employment of local staff either directly or via its partnerships with recognised social enterprise organisations.

14. Incident and Emergency Management

This matter is covered in detail in NAWMA's Business Continuity Plan however the following principles apply:

- NAWMA will notify Council via email within a reasonable timeframe;
- During emergency events NAWMA and Council will maintain daily contact, and;
- In emergency events, collection of putrescible waste is of the highest priority

15. Endorsement of Service Agreement

The Parties to this agreement hereby agree to the intent, implicit or implied, of this Service Agreement.

Signed:

Mr Henry Inat
Town of Gawler CEO

Date Endorsed by Council

Signed:

Mr Adam Faulkner
NAWMA CEO

Date Endorsed by Board

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Agenda Item 9.4

Report Subject:	CEO Performance and Development Committee	Report Author:	Wendy Taylor (Consultant)
Meeting Date:	25 June 2020	Report Type:	Information report (governance)
Attachments:	9.4.1 – Minutes of the CEO's Performance Development Committee (9 June 2020) 9.4.2 – Table 1: CEO's Performance Goals and Measures for 2019/2020 (Highlighted)		

RECOMMENDATION

That the Board notes the Minutes of the CEO's Performance and Development Committee, from their meeting of 9 June 2020.

Purpose of the Report

The CEO's Performance and Development Committee has planned for the conduct of the CEO's Annual Performance Review, to be conducted during July-August 2020.

Board Members are advised of their participation in a 360-feedback survey. The Board will receive a full report on the outcomes of the comprehensive review at their September meeting.

The Committee has confirmed with the CEO the Goals and Measures, and other aspects of the review, that are to apply in 2020, in light of impacts from changed market conditions and world events.

Background

The CEO Performance and Development Committee has the responsibility on behalf of the Board, to manage the employment matters of the Chief Executive Officer.

Related Governance Documents

The Committee is established under Clause 24 of the Charter of Northern Adelaide Waste Management Authority (NAWMA).

The Committee's Terms of Reference, as approved by the Board 16 March 2016.

The Employment Contract of the Chief Executive Officer of NAWMA 2017-, Clauses 7 and 10, and Schedules 1 and 2. (These specific items provide detail of requirements of Performance Review, Remuneration Review, position description and summary of Total Remuneration Package, respectively.)

Report

Recent Committee Meeting

The Committee has recently conducted Stage 3 of the Chief Executive Officer's Performance Review Cycle. This stage provides for planning of the end year review primarily, and an opportunity for

supportive dialogue about progress. On this occasion, the Committee has discussed in greater detail with the CEO, the impacts of changed market conditions and the COVID world events, on the approved Goals and Measures. Minutes of the Committee meeting are included as Attachment 9.4.1 and with Table 1 (Goals and Measures, at Attachment 9.4.2), outline these impacts more fully. There have been impacts on the budget and some delays in progress on strategic goals such as the Circular Economy Strategy development, reduction in contamination of bins and improvements in landfill diversion.

The Committee has confirmed the processes and use of these Goals and Measures, for the final review. Board members will be invited to participate, as usual, in the CEO's feedback survey. The Board will also receive a full report at its September meeting, of the outcomes of the review and any Recommendations.





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A meeting of the CEO Performance Development and Review Committee was held on Tuesday, 9 June 2020, **at the Boardroom, NAWMA**, 71-75 Woomera Ave, Edinburgh SA 5111.

MINUTES

The meeting commenced at 2.10pm.

1. Welcome and Apologies

Brian Cunningham (Chair)
Sam Green
Henry Inat

Also in attendance:
Adam Faulkner, CEO
Wendy Taylor, External Facilitator and Minute Taker.

2. Confirmation of Minutes

2.1 Minutes of the CEO Performance and Development Committee of 12 February 2020 were Confirmed as a true and accurate record of the meeting.

Moved: Sam Green

Seconded: Henry Inat

CARRIED

3. Business Arising

Updates on Committee Action List from 12 February (including some residuals from earlier meetings):

<i>Item no.</i>	<i>Agreed Action</i>	<i>Responsible Officer</i>	<i>Current Status and Further Actions</i>
4.1.1	CEO to provide regular briefings to the Board about the emerging issues in the market context of the MRF operation	CEO	CEO updated at the meeting. CEO Roundtable schedule completed. Strong efforts, at different levels of engagement with each CC.
4.1.2	CEO to provide a short paper specifically identifying those Goals and KPIs that would be negatively affected by the market developments/commodity price shifts	CEO	Discussed with Board previously and at this meeting. Key Goals document (Table 1) highlighted and circulated to Ctee members. Action: Report via Minutes & Table 1 to Board

			<p>meeting of 25/6/20. Main impacts highlighted as: Budget deficit, but within +5% as targeted as a result of some strong work CEO and Finance Manager; Slower progress than hoped in this year on: Development of strategy for circular economy, though operational progress; Bin Contamination rates and Landfill Diversion. Targets in the latter areas are aspirational. Action: Specific milestones to be developed for these items for 2020/21 and beyond, with the technical committee. The Internal Review of the Strategic Plan scheduled for July 2020, will assist this. Also proposed Business Plan for 2020/21, is intended for presentation to the late June Board meeting. Action: CEO to check in with each CC to align significant goals and the timing of milestones. Action: Goals and Measures for 2020/2021 to be presented to Board in September 2020.</p>
4.1.3	CEO to continue development and implementation of customer and staff feedback mechanisms	CEO	<p>CEO addressed at this meeting. Included in draft Business Plan for 2020/21. Action: Chair and Amy Hosking to work on base template for staff survey, using existing tools the Chair has.</p>
From meeting of 5 September 2018			
4.1.3	Revision of the 360 summary process to provide for verbatim comments from Board members; the use of a five-point scale for all aspects of the performance assessment. Both to apply in the 2018/2019 review.	External Facilitator	<p>Action: To be implemented in review for 2019/20.</p>

4. External Facilitator's Report Requiring Committee Decisions (Strategic) (see summary document)

4.1 Planning for CEO's Final Performance Review for 2019/2020

Attachments 2 (CEO Performance Development Process) and 3 (CEO Performance Goals and Measures – Table 1) referred.

The impacts of commodity pricing and world events/ markets on the CEO's Goals and Measures for 2019/2020, were highlighted in Table 1 (Attachment 3) and discussed (as detailed above, in Business Arising 4.1.2 from meeting of 12 February). Each Goal Area and progress discussed. Confirmed the highlighted impacts as reasonable, outside of the CEO's control. The Goals and Measures are, however, a suitable basis

for the 2019/2020 review, to be conducted in August this year when the final stage of the annual cycle is due.

Agreed Action: Board to note.

The process of the final annual review and elements to be included were confirmed in line with Attachment 2, as including a Self-Assessment on Goals and Measures, 360 review on revised executive capabilities in Position Description (as approved by the Board in November 2019), Committee assessment and thence Report/Recommendations to the Board.

Participants in the 360 Review will include:

- CEO's Self-Assessment
- Direct Reports
- Committee Members
- All Board Members
- External Stakeholders.

All participants selected should have had a close working relationship with the CEO for a period of six months minimum, so they can provide an informed view. Board Members and External Stakeholders receive a tailored 360 survey, based on those behaviours they have had an opportunity to observe.

Agreed Action: CEO to provide a list of suitable participants to the External Facilitator, for confirmation with the Committee, via email.

Agreed Action: External Facilitator to edit the existing 360 survey to accommodate the revised executive capabilities, the five-point scale preferred and to allow for verbatim reporting of comments received from Board members.

Agreed Action: Annual Review Process to commence in July, in preparation for Review meeting with the Committee, on 26 August 2020. External Facilitator to provide revised templates as needed, to CEO and other participants.

The meeting confirmed that the CEO's position description and contract of employment are still valid and have no new items for review in 2020, having had detailed examination and review in 2019. The CEO's Employment Agreement provides for an annual increment, if performance is deemed to meet the requirements of the position. The increment base is specified in his contract, Clause 10, as the *Wage Price Index (All Sectors) SA*, as at March (2020).

In terms of the CEO's Employment Agreement, it is noted that he has passed the mid-point of his term. The term expires on 23 July 2022. As required by his contract, he needs to be informed at least six months in advance of its expiry, whether a further contract will be offered. The Committee plans to start discussion with the CEO about a further contract option, 12 months in advance, after the 2021 annual performance review meetings, with a view to placing Recommendations before the Board in advance of the six months' timelines requirement. This is appreciated by the CEO.

Agreed Action: Committee and CEO to commence discussions re interests in a further contract of employment, after the 2021 performance review.

4.2 General Discussion on Progress on Goals and Development Plan

The third stage of the cycle also provided an opportunity for general consideration of progress on the CEO's Development Plan. The CEO's coaching sessions continue, as do his regular catch ups with the Chair. The funds awarded to the CEO for professional development have been successfully deferred into 2021; he is contemplating a short, strategically focused development program at Uni of Melbourne. The CEO indicates the current project work on the Special Purpose Vehicle is providing a learning opportunity, with strong commercial context.

5. Information Reports (Strategic)

5.1 Nil

6. Information Reports (Operational)

6.1 Nil

7. Questions

7.1. Questions without Notice

The meeting concluded at 3.04pm.

Next meeting – Wednesday 26 August 2020, 2-3.30pm. Venue: NAWMA Boardroom.

Table 01: Approved NAWMA Chief Executive Officer Key Performance Indicators 2019 - 2020

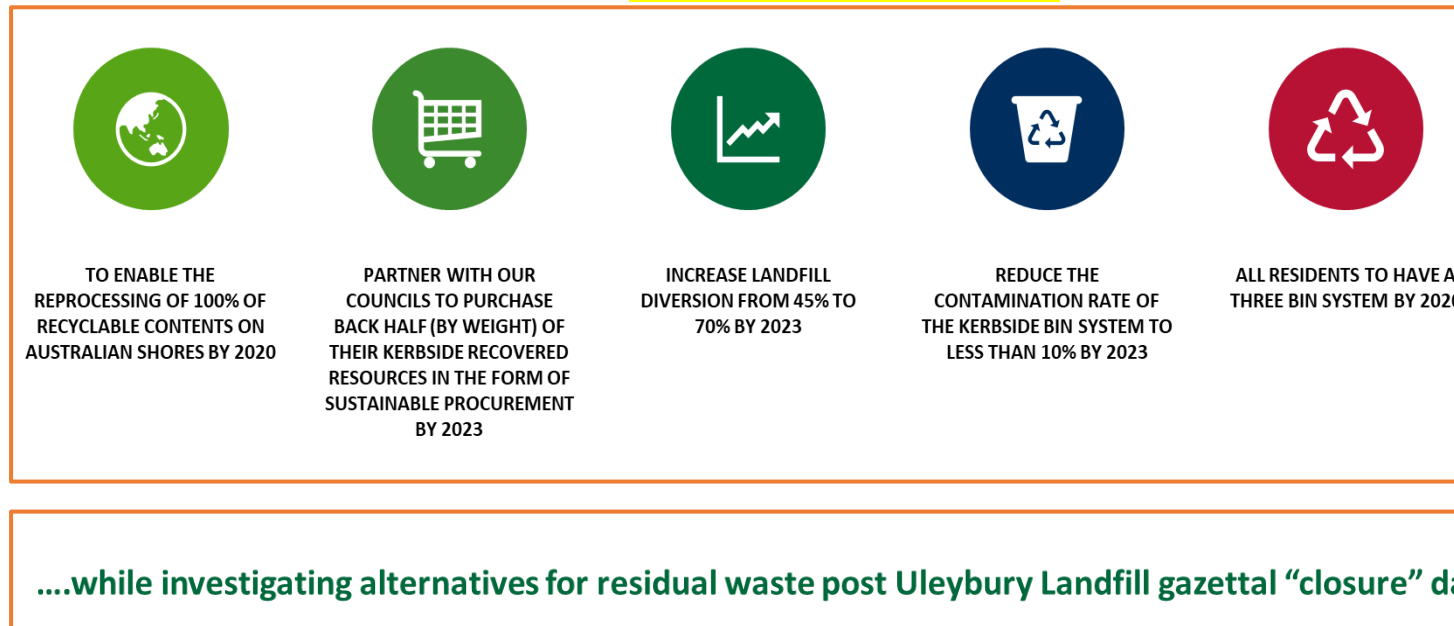
Theme	What does success look like	KPI	CEO commentary April 2020
Strategic Planning	Delivery of 2018-2025 Strategic Plan	<ul style="list-style-type: none"> Goals within the Annual Business Plan delivered 	<ul style="list-style-type: none"> Continue to implement. A formal review of the Strategic Plan will be undertaken in July 2020, with particular focus on the Key Performance Targets summarized in Figure 01 overleaf
Stakeholder Relationships	Internal (engaged Board, Audit Committee etc) External (Strong Constituent Council relationships at Executive and Political Level; State Government departmental influence etc) Strong relationships and reputation with Community/residents	<ul style="list-style-type: none"> Positive stakeholder feedback achieved¹ Positive Board and Audit Committee Annual pulse survey results 360 positive results (delivered every 2nd year) 	<ul style="list-style-type: none"> Staff satisfaction survey is included in the 20/21 Annual Business Plan Audit Committee assessment completed, with positive sentiment Board assessment drafted for delivery in May 2020 360 leadership circle profile extremely positive
Financial and Asset Management	Deliver Operational Result within tolerant variance of Budget (including revisions) Reduced Constituent Council overall contribution of operating revenue LTFP delivery; CAPEX; Projects delivered within budget/contingency	<ul style="list-style-type: none"> Net Financial Liabilities Ratio <80% Budget achieved within + or – 5% Reduced percentage of total revenue contributed by Constituent Councils 	<ul style="list-style-type: none"> Net Financial Liabilities Ratio 22% Budget (deficit) achieved -3.4% Reduced Constituent Council percentage of total revenue by a further 2.1% Three multi million capital projects delivered

¹ Formal mechanisms for both stakeholder feedback and staff satisfaction to be developed in 2019/2020 to support reporting by 2020 review date.

Human Resources	Safe workplace: WHS systems in place; actively managed; training current Succession Planning and capacity building Workforce stability, diversity, satisfaction IP Strategy developed Positive workplace culture	<ul style="list-style-type: none"> • 2 year work plan developed to achieve higher compliance with LGAWCS OneSystem • Staff satisfaction and culture results, positive trend² 	<ul style="list-style-type: none"> • 2-year work plan developed and endorsed by Board. Additional resource assigned • Staff and Board satisfaction Survey to be implemented in Fy21
Major Projects & Innovation	Development and delivery of a regional sustainable procurement agenda (circular economy) Landfill Alternative Agenda (energy from waste) Diligence on future recycling opportunities (markets, duplication)	<ul style="list-style-type: none"> • Suitable progress on agreed key milestones, as outlined in Business Plan (or Project Plan/ Business Case, for each listed project) 	<ul style="list-style-type: none"> • Cross sectional multi Council sustainable procurement workshop held, however this has not been progressed. Current focus on glass into Council civil applications • Significant completion of priority projects in Annual Business Plan • Establishment of NAWMA's first Special Purpose Vehicle (SPV) to accelerate landfill alternative agenda
Environmental Performance	Diversion targets from landfill (multi year improvement) Contamination decrease (across multi year trend) Education and Promotion, behavior change programs	<ul style="list-style-type: none"> • Progress toward Strategic Plan targets for Diversion and Contamination 	<ul style="list-style-type: none"> • Formal review of Strategic plan scheduled for July 2020, with particular focus on Key Performance Targets outlined in Figure 01 overleaf • New education platform and resources developed

² As above, footnote 1

Figure 01; 2018-2025 Strategic Plan **Key Performance Targets**



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 And our Client Rural and Regional Councils

Agenda Item 9.5

Report Subject:	2019/2020 External Audit Engagement Letter and Plan, and Interim Audit Letter and Report	Report Author:	Finance Manager
Meeting Date:	25 June 2020	Report Type:	Information report (governance, finance)
Attachments:	9.5.1 – Copy of HLB Mann Judd Engagement Letter 9.5.2 – Copy of 2019/2020 HLB Mann Judd External Audit Plan 9.5.3 – Copy of HLB Mann Judd Interim Audit Letter		

RECOMMENDATION

That the Report is received and noted.

Purpose of the Report

To provide the Board with a copy of the HLB Mann Judd Engagement Letter, FY20 External Audit Plan and Interim Audit Letter.

Background

In accordance with the Local Government Act 1999 and the Local Government (Financial Management) Regulations 2011, NAWMA must have an External Auditor.

At the meeting of 15 March 2017, the NAWMA Board resolved:

That the NAWMA Board reappoint HLB Mann Judd as NAWMA's External Auditors for further five (5) year engagement term.

Report

In line with the above resolution, HLB Mann Judd have provided their External Audit Engagement Letter, which has been formally acknowledged by NAWMA (appended at Attachment 9.5.1).

Appended at Attachment 9.5.2 is a copy of HLB Mann Judd's Audit Plan for the information of the Board. As outlined in the plan, the Balance Date Audit will be undertaken online in W/C 3 August 2020 due to the COVID-19 pandemic and restrictions. HLB Mann Judd have been made aware of NAWMA's timelines for the financial reports and have committed to meeting the deadline for these external audit deliverables.

As with the Balance Date Audit, the preliminary (interim) audit was undertaken online over a period of weeks. NAWMA Finance Manager was provided with a list of required documents and an online portal login with deadline for submission of documents. All documents were provided by NAWMA and HLB Mann Judd have provided a brief letter outlining the procedures that were undertaken upon receipt of the required documents and an update on the status of the significant focus areas. Management are pleased to advise the Board that no matters of significance were found, or raised,

during the interim period. A copy of the Letter and Report is appended at Attachment 9.5.3 for the information of the Board.





9 June 2020

Adam Faulkner
Executive Officer
Northern Adelaide Waste Management Authority
71-75 Woomera Avenue
Edinburgh SA 5111

Dear Adam,

Audit Engagement Letter

The purpose of this letter is to reconfirm the terms and conditions of our appointment as auditors of Northern Adelaide Waste Management Authority ("the Authority").

This letter and its appendices (collectively the **Engagement Agreement**) confirm the terms of our audit engagement. The Engagement Agreement is effective from the earlier of the date that you sign the acknowledgment and acceptance below or 7 calendar days from the date set out at the top of this letter if we do not hear from you to the contrary sooner.

Where used in this letter, a reference to "we", "us" or "our" is to HLB Mann Judd (SA) Pty Ltd.

Please read this letter and the accompanying appendices carefully.

Jon Colquhoun will act as Engagement Director for the audit, and will be responsible for the conduct of the audit.

1. Consent to appointment

We confirm that written consent to our appointment as the Authority's auditor has been previously given.

2. Objective and scope of the audit of the financial report

You have requested that we audit the financial report of the Authority, which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory information, and the certification of financial statements.

The objectives of our audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

3. Responsibilities of Directors, management and others charged with governance

This engagement is conducted on the basis that Directors, management and others charged with governance are responsible for the matters set out in Appendix 2.

hlb.com.au

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Liability limited by a scheme approved under Professional Standards Legislation.

HLB Mann Judd Audit (SA) Pty. Ltd. is a member of HLB International, the global advisory and accounting network.



4. Independence

We confirm that, to the best of our knowledge and belief, we currently meet the independence requirements of Australian Professional and Ethical Standard APES 110: *Code of Ethics for Professional Accountants* ("the Code") in relation to the audit of the financial report.

5. Communication of audit matters

We will communicate audit matters of governance interest arising from our audit with the Directors and management as we consider appropriate in relation to the matter to be communicated.

Ordinarily, we will initially discuss audit matters of governance interest with management.

Some of these matters will be communicated orally and some in writing. All matters will be communicated on a timely basis. An audit of a financial report is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, our audit does not ordinarily identify all such matters.

Our communication of matters of governance interest will include only those audit matters of governance interest that come to our attention as a result of the performance of our audit.

6. Form and content of audit report

Our audit report will be in the form required by the Act and Australian Auditing Standards.

The form and content of our audit report may need to be amended in the light of our audit findings.

7. Agreement

The Engagement Agreement will be effective for future years unless it is terminated, amended or superseded in accordance with the standard terms and conditions attached at Appendix 3.

The terms of this agreement will also apply to all work carried out by us on your instructions prior to the date you sign this agreement.

Please sign a copy of this letter where indicated below and return that signed copy to us. By signing this letter, or continuing to instruct us, you make the acknowledgments set out below.

If you have any questions about any of the matters addressed in this letter or the appendices, or this appointment more generally, please contact me.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Jon Colquhoun'.

Jon Colquhoun
Director



Acknowledgement and Acceptance

I confirm that I have the requisite authority to bind the Entity to the Engagement Agreement.

On behalf of Northern Adelaide Waste Management Authority, I acknowledge and agree that the Authority:

- has engaged HLB Mann Judd as auditors to complete the work described in this letter on the terms of the Engagement Agreement;
- has received a copy of Appendix 1 (Fees), Appendix 2 (Relative Responsibilities and Terms applicable to Audit and Assurance Engagements) and Appendix 3 (Standard Terms and Conditions), along with the covering letter;
- has read and agrees to be bound by the Engagement Agreement.



 Signature of authorised representative

ADAM FAULKNER

 Name and Title CEO

10/6/20

 Date



Appendix 1: Fees

Our fixed fee for the audit is as follows:

Service	Professional Fee \$
Audit	17,000
Total Professional Fees	17,000

These fees are exclusive of GST, and have been offered to Northern Adelaide Waste Management Authority on the following conditions:

- No errors requiring significant additional work will be encountered; and
- No major rework or revision is required to the financial report provided for audit

If the conditions outlined above have not been met, we will inform you and advise if additional audit hours are required. If we are required to provide additional audit hours, or you request us to provide accounting assistance to enable you to meet your reporting obligations on time, additional charges will apply.

Unless an additional fixed fee is agreed, additional charges will be calculated on the basis of hours charged at our standard rates ruling at the relevant time for the applicable personnel. Those standard rates at the present time are as follows:

Staff Member	GST exclusive rate* \$	GST (10%) \$	GST inclusive rate \$
Director	490.00	49.00	539.00
Manager	380.00	38.00	418.00
Supervisor	225.00	22.50	247.50
Auditor	140.00	14.00	154.00

The above rates are reviewed annually

We will endeavour not to commence work that attracts additional charges before notifying you that additional charges will apply, however in some circumstances we may be required to use our discretion and provide additional audit hours or provide accounting assistance to enable the Authority to meet its objectives. You agree that in such cases our reasonable additional fees will be payable.

Our fees will be billed as the work progresses.

Disbursements

In addition to our fees, we may incur expenses (disbursements) on your behalf during the engagement. To cover items such as printing, telephone, document storage, secure destruction and electronic records management, we charge an additional 3.5% of the above-mentioned fees.

Other disbursements may include charges and expenses such as travel, accommodation, document production and handling, including postage and couriers company searches, PPSR searches and bank confirmation costs. By engaging us you consent to us incurring these disbursements on your behalf and you agree to reimburse us for them (GST will be charged as appropriate).

We will seek your approval before incurring any unusual or extraordinary expenses on your behalf.



Appendix 2: Relative Responsibilities and Terms applicable to Audit and Assurance Engagements

1. Audit of Financial Report

1.1 Our Responsibilities

We will conduct our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report. We take into account both qualitative and quantitative factors when assessing materiality.

We are also required to form an opinion, and report on, whether or not the general purpose financial report presented to us by the Directors is in accordance with the *Australian Accounting Standards* and that it:

- gives a true and fair view of the Authority's financial position and performance; and
- complies with Australian Accounting Standards.

We also have a responsibility to form an opinion about:

- whether we have been given all the information, explanations and assistance necessary to conduct our audit;
- whether you have kept financial records sufficient to enable the financial report to be prepared and audited;
- whether you have kept other records and registers required by the Act; and
- to report any deficiency, failure or shortcoming in relation to those matters.

1.2 Nature and Limitations of audit

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

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

financial report represents the underlying transactions and events in a manner that achieves fair presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with Australian Auditing Standards.

1.3 Your Responsibilities

Our audit will be conducted on the basis that Directors, management and, where appropriate, others charged with governance acknowledge and understand that they have responsibility:

- for the preparation of a financial report that gives a true and fair view in accordance with the Act and Australian Accounting Standards. If compliance with these Standards will not give a true and fair view, the Directors must add such information and explanations that will give a true and fair view;
- to maintain accounting records which correctly record and explain the entity's transactions and financial position;
- for ensuring compliance with GST and other taxation legislation to the extent required by that legislation;
- for such internal control as Directors, management and others charged with governance determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error; and
- to provide us with:
 - access to all information of which Directors, management and others charged with governance are aware that is relevant to the preparation of the financial report, such as records, documentation and other matters;
 - additional information that we may request from Directors, management and others charged with governance for the purpose of the audit;
 - unrestricted access to persons within the entity from whom we determine it necessary to obtain audit evidence; and
 - reasonable working space and clerical assistance.

2. Independence

In conducting our audit of the financial report, should we become aware that we have contravened the independence requirements of the Code or the Act we will notify you on a timely basis.

The Code and the Act include specific restrictions on the employment relationships that can exist between the audited entity and its auditors. To assist us in meeting the independence requirements of the Code and the Act, and to the extent permitted by law and regulation, we request that you discuss with us:

- the provision of services offered to you by HLB Mann Judd prior to engaging or accepting the service; and
- the prospective employment opportunities of any current or former Director or professional employee of HLB Mann Judd prior to the commencement of formal employment discussions with the current or former Director or professional employee.

If you request us to provide other services, we will be pleased to provide those additional services provided that our independence is not compromised. In relation to non-audit services you request that we perform it will be the responsibility of your Directors and management to ensure that they:

- make all management decisions and perform all management functions;
- designate a competent employee to oversee the services;
- evaluate the adequacy and results of the services performed; and
- accept responsibility for the results of the services.

3. Events Subsequent to Issue of Auditor's Report

Once we have issued our auditor's report, we have no further direct responsibility in relation to the financial report for that financial period.



However, by signing this letter you confirm that you will inform us of any material event occurring between the date of our auditor's report and the date that the financial report is issued which, had it been known to us at the date of the auditor's report, may have caused us to amend the auditor's report.

4. Detection of Fraud, Error and Non-Compliance with Laws and Regulations

The Directors are responsible for safeguarding the Authority's assets and for the prevention and detection of fraud, error and non-compliance with regulatory requirements. Directors also have responsibility to advise us of, or ensure that we are advised of, any known or suspected fraud within the Authority.

Our audit procedures are designed to provide reasonable assurance that there are no undetected errors or irregularities, including fraud and other illegal acts, material to the financial report.

As audit testing is based on samples it may not result in errors and irregularities being detected. Our audit can only provide reasonable, not absolute, assurance that the financial report is free from material misstatement. See also Appendix 3, section 11.

5. Management Representations

As part of our audit process, we will request from management and/or those charged with governance written confirmation concerning representations made to us in connection with our audit.

6. Presentation of Audited Financial Report on the Internet

If the Authority intends to publish an electronic copy of the audited financial report and auditor's report on its internet website, it is the responsibility of the Directors of the Authority to ensure controls in place maintains the integrity of the data presented. The examination of controls over the electronic presentation of audited financial reports on the Authority's website is beyond the scope of the audit of the financial report.

7. Other Documents Accompanying the Audited Financial Report

Auditing Standard ASA 720: *The Auditor's Responsibilities Relating to Other Information in Documents Containing an Audited Financial Report* requires that we read any annual report and any other documents that contain an audited financial report such as those used in security offerings. The purpose of this procedure is to consider whether other information in the document, including the manner of its presentation, is materially consistent with information appearing in the audited financial report. We assume no obligation to perform procedures to corroborate such other information as part of our audit. We therefore request that any documents containing the audited financial report (including any professionally printed version of these reports that are produced after our audit report) are provided to us prior to their release for us to undertake the required procedures.

We also request that where any document containing the audited financial report indicates that the financial report has been audited, our auditor's report will also be included in the document.

8. Confidentiality

The Act and the Code and other professional standards impose obligations of confidentiality on our personnel that restrict our communication of certain audit matters of governance interest.

9. Reporting

At the conclusion of our work we may issue a report in relation to matters we consider appropriate to bring to the attention of Directors, management or others charged with governance. If any such report deals with internal controls, it may not contain all matters that a full review of internal controls may identify, as our audit work is primarily conducted to allow us to express an opinion on the financial report.

This report may not be provided to a third party without our written consent. We may, at our discretion, grant or withhold our consent or grant it subject to conditions, including an acknowledgement by a recipient that the report is not prepared with the interests of anyone other than you in mind and that we accept no duty or responsibility to any other party.

Any report we issue will be addressed to the Directors after it has been discussed with management.



Appendix 3: Standard Terms and Conditions

1. Introduction

- 1.1. These Standard Terms and Conditions and the accompanying letter ("Engagement Letter"), Appendix 1 ("Fees") and Appendix 2 ("Relative Responsibilities and Terms applicable to Audit and Assurance Engagements") (together "Engagement Agreement") must be read together as they form our agreement with you. They will apply to all work we undertake for you with respect to the engagement described in the Engagement Letter.
- 1.2. All references to "Client" or "you" are references to the client identified in the Engagement Letter.
- 1.3. All references to "us" or "we" are to the HLB Mann Judd firm or entity identified in the Engagement Letter.
- 1.4. We are a member firm of HLB Mann Judd Australasian Association ("HLB Australasia"), a network of independent accounting firms whose members practise as "HLB Mann Judd" in designated territories throughout Australia and New Zealand. Through HLB Australasia, we are members of HLB International, a worldwide network of independent accounting firms. Each member of, respectively, HLB Australasia and HLB International is a separate legal entity and as such has no liability for the acts and omissions (including negligent act and omissions) of any other member. HLB Australasia co-ordinates the Australasian activities of the HLB Australasian network and HLB International co-ordinates the international activities of the HLB International network, but HLB Australasia and HLB International do not provide, supervise or manage professional services to clients. We are not in partnership with the other members of HLB Australasia or HLB International and we do not hold ourselves out as being a member of a national or international partnership. Neither HLB Australasia nor HLB International has any liability for the acts and omissions (including negligent act and omissions) of any of their members.

2. Our Services

- 2.1. The services we have agreed to provide to you, which comprise the scope of our work for this engagement, are set out in our Engagement Letter.
- 2.2. We will exercise reasonable skill and care to provide the services in line with the appropriate professional standards.
- 2.3. From time to time you may request additional services from us. Where we agree to provide these services to you, they will be governed by the Engagement Agreement amended as agreed in relation to the scope of work unless a separate engagement agreement is entered into.
- 2.4. Unless specifically stated otherwise in the Engagement Letter, any advice or opinion relating to the services is provided solely for your benefit. Except as required by law, you may not disclose all or any part of our advice or opinion in any way, including by publication or electronic media, to any person without our prior written consent.
- 2.5. We disclaim all responsibility for the consequences of anyone, apart from you, relying on our advice and/or opinion without our prior written consent.

3. Advice

- 3.1. During the supply of our services, we may provide oral, draft or interim advice, reports or presentations to you. In these circumstances our written advice or final written report shall take precedence. No reliance should be placed by you on any draft or interim advice, reports or presentations. Where you wish to rely on oral advice or an oral presentation, you must inform us and we may (but are not obliged to) provide you with documentary confirmation of the advice.
- 3.2. We are not obliged, regardless of the circumstance, to update any advice or report, oral or written, for events occurring after the advice or report has been issued in final form.

- 3.3. Any advice or opinion that we give you will be based on the law effective at the date of the advice or opinion. We do not accept any responsibility for any changes in the law, and/or in its interpretation, which occur after the date of our advice. This applies to any changes in the law or its interpretation which take effect retrospectively.
- 3.4. No actions taken by us and/or statements made in the course of our engagement may be taken as a promise or guarantee to you about the outcome of any matter.
- 3.5. Unless otherwise agreed with you, or specifically stated in the Engagement Agreement, the advice we give cannot be relied upon to disclose irregularities, including fraud and other illegal acts and errors that may occur.
- 3.6. No advice we provide to you can, is intended to, nor will it, constitute legal advice and it should not be relied upon by you as such.

4. Your responsibilities

- 4.1. You agree to pay for the services we provide in accordance with the payment terms set out in the Engagement Agreement.
- 4.2. In order to provide our services to you, we require your co-operation. You agree that you will:
 - Provide, in a timely way, all information and materials that we reasonably require to enable us to prove the services set out in the Engagement Agreement;
 - Arrange access to members of your staff, third parties, records, technology and systems, and premises;
 - Respond to us promptly to facilitate the performance of the services.
- 4.3. Your primary representative from HLB Mann Judd is the Engagement Director specified in the Engagement Letter.
- 4.4. We will rely on the information and material that you provide. You are responsible for the completeness and accuracy of the information and materials you supply to us.
- 4.5. If you become aware that any of the information or material provided to us has changed, is incomplete, incorrect or misleading in any respect, or may in any other way impact upon the services we provide to you, you must inform us immediately. You must also take all necessary steps to correct any announcement, communication or document issued which contains, refers to, or is based upon such information.
- 4.6. We disclaim all responsibility for your failure to inform us of any changes to any information and/or material which impacts upon the services we have agreed to provide to you.
- 4.7. If you provide any advice or opinion, we give to you to a third party without our consent, you agree to indemnify us against any and all claims made against us by that third party or any other party and for the costs of defending any such claims.

5. Non-conformance

- 5.1. If you believe that the advice or opinion, we have provided to you does not confirm to the scope of work set out in the Engagement Agreement, you must inform us immediately. You must give us a reasonable opportunity to rectify any such advice or opinion.
- 5.2. If you fail to do so, we disclaim all responsibility for our advice/opinion failing to conform with the scope of works set out in the Engagement Agreement.

6. Our liability

- 6.1. Our liability is limited by a scheme approved under the Professional Standards Legislation (other than for the acts or omissions of Australian Financial Services Licenses). Further information on the scheme is available from the Professional Standards Councils website: www.psc.gov.au
- 6.2. In no event will we be liable for any indirect, special or consequential loss or damage including loss of revenue, loss of profits, loss of opportunity, damage to goodwill or reputation.



7. Fees and Disbursements

- 7.1. The basis on which we charge fees for this engagement is set out in Appendix 1.
- 7.2. If the basis on which our fees will be charged is our standard hourly rates, our fees will be charged on the basis of the hourly rates from time to time of each person working on your engagement. Time spent is recorded in six-minute units with time rounded up to the nearest unit of six minutes. As at the date of the Engagement Letter, our standard hourly rates are as set out in Appendix 1.
- 7.3. If the basis on which we will charge for fees is or includes fixed fees for a fixed scope of work described in the Engagement Agreement, we will charge you the fixed fees for the fixed scope of work. However, if the work we are required to complete exceeds, or is not included in, the fixed scope of work described in the Engagement Agreement, we will charge you at our standard hourly rates from time to time unless a further fixed fee arrangement is reached.
- 7.4. If we receive money into our trust account on your behalf (in respect of any engagement), you authorise us to withdraw that money, as well as any other trust money we hold for you on account of our fees, for the purposes of paying our fees as they arise (in respect of any engagement). You may revoke your authority by giving us seven days' notice in writing. However, in this case, we may still withdraw money held on your behalf for our fees that were accrued up to the expiry of the notice period. If we receive money to be paid to a third party, we will forward that money to the third party unless you instruct us to do otherwise.
- 7.5. We may review and increase the rates we are charging to you on an annual basis.
- 7.6. Unless we agree otherwise in writing, all accounts are payable 14 days after they have been sent.
- 7.7. Each account will be a tax invoice for GST purposes where an amount of for GST forms part of our fees and we will briefly describe the work that we have undertaken on your behalf.
- 7.8. If you do not pay our invoice in full, we may:
 - Elect not to continue to provide our services to you;
 - Suspend work until further payment is made;
 - Exercise our common law right to retain your documents until our account is paid;
 - Charge interest on any unpaid amount. The rate of interest will be at the prevailing corporate overdraft reference rate published by the Commonwealth Bank of Australia; and / or
 - Immediately initiate legal proceedings without notice.
- 7.9. Our fees include GST at the prevailing rate unless our services are GST-free. If the prevailing rate of GST changes, we will adjust our costs to reflect the change. In addition to our fees, we may incur expenses (disbursements) on your behalf during the engagement.
- 7.10. General disbursements may include charges and expenses for travel, accommodation, and document production and handling, including photocopying, fax charges and courier. Please refer to the Appendix 1 for details of any other specific disbursements that we may incur. By engaging us you consent to us incurring these disbursements on your behalf and you agree to reimburse us for them. (Where applicable, GST will be charged on these disbursements at the prevailing rate.)
- 7.11. Unless specified otherwise in the Engagement Agreement, the cost of any person required to be appointed by you or us to provide specialist advice in connection with our engagement, is not included as part of our fee estimate.

8. Documents

- 8.1. Any documents that we produce during our work belong to us.
- 8.2. Unless otherwise agreed in the Engagement Agreement, all original documents you have provided to us in the course of this engagement will belong to you.

- 8.3. On completion of our work, or termination of this engagement, we will return to you any papers to which you are entitled.
- 8.4. You agree that we can keep files relating to the engagement in electronic form. If you do not direct us otherwise in writing, we may destroy your files, without further notice to you, after 7 years from the date of completion of the engagement, or if a different (shorter or longer) retention period is required by law, following the expiration of that period. You authorise us to destroy our file including all electronic records (excluding any documents kept in safe custody) after the expiration of the relevant period referred to in the previous sentence.
- 8.5. If you believe that any document held by us in our files is, or is reasonably likely to be, required in evidence in a legal proceeding, you will inform us of this fact urgently and request in writing that we do not destroy such document until it is no longer required, unless you may be committing an offence under the applicable crimes legislation.
- 8.6. We may charge for special storage requirements and/or retrieving documents from storage if you request them.
- 8.7. We accept no liability for any losses you suffer if our file, including any documents or other material you leave with us, is damaged or destroyed for any reason.

9. Communication

- 9.1. We may correspond with you by post, by fax or electronically. We are not responsible for any delay, non-delivery or interruption of any of these methods of communication.
- 9.2. You authorise us to communicate with you and provide you with documents electronically. You acknowledge that electronic transmissions can be insecure and can be corrupted, intercepted and may contain viruses. To the extent permitted by law, we will not be responsible for any liability caused in connection with electronic transmissions. You will take all reasonable steps to ensure that you have suitable systems in place to prevent corruption of data, or transmission of viruses in your electronic documents or other communication to us. You acknowledge and accept the risks that email communications may not always be secure, irrespective of the security we have in place.
- 9.3. Please contact us immediately if you have any doubts about the authenticity of any documents or communications purportedly sent by us.
- 9.4. We authorise you to communicate with us and provide us with documents electronically.

10. Confidentiality and Data Security

- 10.1. In conducting this engagement, information acquired by us in the course of this engagement is subject to strict confidentiality and security requirements.
- 10.2. We will protect confidential information (including electronic data) in a reasonable and appropriate manner and in accordance with applicable professional standards and our Data Security Policy.
- 10.3. We will only use or reproduce confidential information to perform our obligations under this engagement.
- 10.4. We may disclose data to our service providers for the purpose of providing our professional services to you.
- 10.5. HLB Mann Judd may also store, process or back-up your data on computer servers or networks which are located overseas or in the cloud, including where services are performed by service providers who are located overseas.
- 10.6. It is not practicable to list all countries in which data recipients may be located, however, HLB Mann Judd will only disclose data to an overseas recipient where reasonably necessary in order to provide its professional services and for administrative, data storage or other business management purposes.
- 10.7. Service providers are expected to operate in accordance with established data security standards.
- 10.8. We may, on a confidential basis, disclose confidential information to our own professional advisors and insurers.
- 10.9. We may disclose confidential information if this is required by law, or is required in order for us to comply with our professional



duties and obligations, or as required by professional or regulatory bodies.

11. Non compliance with Laws and Regulation

- 11.1. Non-compliance with laws and regulations ("non-compliance") comprises acts of omission or commission, intentional or unintentional, committed by a client, or by Those Charged with Governance, by management or by other individuals working for or under the direction of a client which are contrary to the prevailing laws or regulations.
- 11.2. As members of the accounting profession we are required to act in the public interest and should we encounter or be made aware of non-compliance or suspected non-compliance with laws and regulations in the course of providing our service we are required to respond in accordance with the Code.
- 11.3. Our response will be determined by the specific circumstances of the non-compliance and the type of service we are providing but may include obtaining an understanding of the matter, discussing with the appropriate level of management or governance of the client how the matter will be addressed. We may be obliged to disclose the matter to your external auditor, group auditor or appropriate authority. We may be obliged to withdraw from the engagement.
- 11.4. If we are performing an audit, we will consider the impact of instances non-compliance or suspected non-compliance on our audit approach.

12. Quality Control

- 12.1. As a member of HLB Australasia, HLB International and Chartered Accountants Australia and New Zealand we are required to undertake quality review processes. Other regulatory bodies, including ASIC, may also conduct surveillance or review to monitor quality control. As part of these processes client files are subject to review.
- 12.2. As a result of these quality reviews your client file may be chosen for inspection. By accepting our terms of engagement, you authorise your files to be reviewed in this way.

13. Copyright and Intellectual property

- 13.1. Unless otherwise specified in the Engagement Letter, we retain all copyright and intellectual property rights in all material developed, designed or created by us in the course of carrying out the engagement including know how, systems, software, reports, written advice, drafts and working papers.
- 13.2. You warrant that any documents or material given to us in relation to this engagement will not infringe the intellectual property rights of any other person and you indemnify us against any breach of that warranty.
- 13.3. You must not use the HLB Mann Judd name or logo on any website or in any public statement unless you have our prior permission.

14. Privacy

- 14.1. We understand the importance of protecting the privacy of personal information. In handling personal information, we will comply with the Privacy Act 1988 (Cth) ("Privacy Act"), as amended from time to time.
- 14.2. We collect, use, disclose and store personal information in accordance with our privacy statement, a copy of which is available on request or may be viewed on our website www.hlb.com.au
- 14.3. Generally, we collect and use personal information for the purposes of providing professional services to you. We may also use your personal information for the purpose of providing marketing and training information to you. Please let us know if you do not want to receive this information.
- 14.4. To provide services to you, we may disclose your information to third parties engaged to perform administrative or other services. Any such disclosure is always on a confidential basis. We may also disclosure your information if required or authorised by law.

- 14.5. Before you disclose personal information to us, whether that information relates to you or someone else, you should make sure that you are entitled to disclose that information.

- 14.6. If you become aware of any breach or alleged breach of privacy laws concerning the information that you disclose to us, you must notify us immediately.

15. Anti-Money Laundering and Counter Terrorism Financing

- 15.1. From time to time we may request information from you in order to meet our obligations under the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006* (Cth) ("AML/CTF Act").
- 15.2. Where we provide a designated service (as defined under the AML/CTF Act), we are a reporting entity under the legislation and as such must meet stringent identification and verification requirements.
- 15.3. This means that, before providing you with a service we must make sure that you are who you say you are by collecting information to identify you or any agent acting on your behalf, and taking steps to verify this information.
- 15.4. We will maintain all information collected in a secure manner in accordance with the relevant privacy principles and the AML/CTF Act. We will only disclose information about you where we reasonably consider that we are required to do so under Australian law.
- 15.5. This means that your identification information may be disclosed to government agencies or law enforcement agencies. We may also disclose this information to other HLB Mann Judd entities involved in providing services to you to the extent that this information is required to fulfil that entity's AML/CTF obligations.
- 15.6. You agree to provide such information upon request. If you do not provide this information we may not be able to provide services to you.

16. Independence and Conflicts of interest

- 16.1. The performance of our services is governed by the Code and other specific legislative requirements regarding independence.
- 16.2. As at the date of the Engagement Letter, we do not believe that there is any conflict of interest in us providing the services set out in the Engagement Agreement to you. However, it is possible that in the future a conflict (actual, potential or perceived) may arise. If it does, we will notify you immediately and discuss the issue with you.
- 16.3. Our aim is to make sure that any further services we provide to you will be objective and free from any independence or conflict of interest issues. In some cases this may result in us having to cease providing any further services to you.

17. Problem resolution

- 17.1. If you are unhappy with the services we have provided to you, or would like to discuss how they could be improved, you are welcome to contact the Director specified in the Engagement Letter.
- 17.2. We will investigate all complaints carefully and promptly and attempt to resolve any difficulties.

18. Our staff

- 18.1. When our staff are assigned to work for you, you agree that, during the period of the engagement and for a period of 12 months following the completion or termination of the engagement, you will not without our consent employ or engage, or procure a third party to employ or engage, any employee of ours who has taken part in the provision of services to you. We reserve the right to charge to you a fee equivalent to the recruitment, training and additional expenses required to replace our employee (plus GST). We agree to not engage or employ any employee of yours without your consent for a period of 12 months following the completion or termination of the engagement.



18.2. The safety and wellbeing of our people is of paramount importance to us. We reserve the right to inspect your premises where our staff are, or are proposed, to work from. Irrespective of any inspection by us, you acknowledge that you have legal responsibility to provide a safe place of work at all times including for our staff who work from your premises.

19. Termination

- 19.1. Unless we are providing you with a statutory audit, the engagement may be terminated by you or us by giving 7 days' written notice subject to applicable legislation and professional standards.
- 19.2. Unless we are providing you with a statutory audit service we may terminate this engagement by giving you 7 days' notice in writing, unless a shorter period is required for matters of urgency, if:
- You do not pay our account
 - You do not meet a requirement for money on account of costs or disbursements
 - We have requested instructions, information or materials from you but you have failed to provide them in a timely manner
 - You give us instructions that are false and misleading
 - We believe that we may have a conflict of interest
 - Any other reasonable grounds
- 19.3. Either party may terminate this engagement if an insolvency event occurs in relation to the other party. Where used in this clause, 'insolvency event' means, in relation to a body corporate, a liquidation or winding up, the appointment of a controller, administrator, receiver, manager or similar insolvency administrator to a party or any substantial part of its assets or the entering into a scheme or arrangement with creditors, or in relation to an individual, becoming bankrupt or entering into a scheme or arrangement with creditors or, in relation to a body corporate or an individual, the occurrence of any event that has a substantially similar effect to any of the above events.
- 19.4. All sums due to us for time spent prior to termination shall become payable in full when termination takes effect regardless of whether the engagement is complete, or as otherwise agreed in the Engagement Agreement.
- 19.5. Termination under this clause shall be without prejudice to any rights that may have accrued before termination.

20. Amendment

The Engagement Letter may only be amended or varied by a document in writing signed by each party.

21. Entire agreement

These Standard Terms and Conditions, together with the Engagement Letter, Appendix 1 and Appendix 2, contain the entire agreement

between the parties about their subject matter and supersede all previous communications, representations or agreements between the parties on the subject matter.

22. Inconsistency

If there is any inconsistency between the documents forming part of or contemplated by the entire agreement between the parties as set out in clause 22, then the following order of priority applies to determine which provisions prevail to the extent of the inconsistency:

- the Engagement Letter;
- Appendix 1;
- Appendix 2;
- these Standard Terms and Conditions.

For the avoidance of doubt, an inconsistency between a clause of these Standard Terms and Conditions and any part of the other documents in the list ("Other Documents") above will only be considered to exist if the subject matter of the particular clause is dealt with in both this Standard Terms and Conditions and any part of the Other Documents. If the Other Documents are silent on any particular subject matter, then that silence will not be taken to constitute an inconsistency between these Standard Terms and Conditions and the Other Documents.

23. Waiver

No failure to exercise or delay in exercising any right given by or under this Engagement Agreement to a party constitutes a waiver and the party may still exercise that right in the future. No single or partial exercise of any right precludes any other or further exercise of that or any other right.

Any waiver of any provision of this Engagement Agreement or a right created under it must be in writing signed by the party giving the waiver and is only effective to the extent set out in that written waiver.

24. Governing law and jurisdiction

This Engagement Agreement is governed by the laws in force in South Australia, Australia.

The parties submit to the exclusive jurisdiction of any courts of competent jurisdiction in South Australia, Australia and any courts that may hear appeals from those courts about any proceedings in connection with this Engagement Agreement.

AUDIT STRATEGY

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY – YEAR ENDING 30 JUNE 2020



ISSUED: JUNE 2020

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Audit of the Financial Report of Northern Adelaide Waste Management Authority for the year ending 30 June 2020

We are currently in the process of planning our audit of the general purpose financial report of Northern Adelaide Waste Management Authority ("the entity") for the year ending 30 June 2020.

Australian Auditing Standards issued by the Auditing and Assurance Standards Board require us to communicate with "those charged with governance" of the entity in relation to some aspects of our audit.

Auditing Standard ASA 260 defines "Those charged with governance" as "...the person(s) or organisation(s) ... with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process".

Those charged with governance may involve management personnel. ASA 260 defines "management" as those with "executive responsibility for the conduct of the entity's operations".

We advise that we will communicate matters of governance interest arising from our audit with the Board and management as we consider appropriate in relation to each matter to be communicated. Ordinarily, we will initially discuss audit matters of governance interest with management.

In particular, any management letter we issue will be addressed to the Board or Audit Committee after it has been discussed with management.

Some of these matters will be communicated orally and some in writing. All matters will be communicated on a timely basis.

1. Auditor's responsibilities

We are responsible for forming and expressing an opinion on the financial report that will be prepared by management with the oversight of those charged with governance. Our audit of the financial report does not relieve management or those charged with governance of their responsibilities.

2. Scope of our audit

The purpose of providing you with details of the planned scope of the audit is to assist you in better understanding the consequences of our work and to help identify any areas in which you may request us to undertake additional procedures.

Should there be any matters outlined in this letter that are not consistent with your understanding of the engagement, please contact us.

We will conduct our audit of the financial report for the year ending 30 June 2020 in accordance with the terms of our engagement letter and with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free from material misstatement.






3. Areas of audit focus

Our procedures will include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates.

These procedures will be undertaken to form an opinion whether, in all material respects, the financial report of Northern Adelaide Waste Management Authority is in accordance with the requirements of the *Australian Not-for-Profits Commission Act 2012* including presenting fairly its financial position as at 30 June 2020 and its performance for the year ended on that date; and complies with Australian Accounting Standards and other mandatory professional reporting requirements.

A feature of our audit approach is to identify areas of significant risk of material misstatement in the financial statements. We then undertake our audit, giving special attention to those areas, whilst still ensuring that all other material areas in the financial statements are subject to audit examination.

Our initial review of the operations of the entity have identified the following significant risks and other areas of focus.

SIGNIFICANT RISKS	REASON	PLAN TO ADDRESS
1. Management override of controls	 ASA 240 <i>The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report</i> - Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare a fraudulent financial report by overriding controls that otherwise appear to be operating effectively.	 Review journals posted throughout the year (including manual journal entries from separate systems)  Evaluate the design and implementation of controls around the processing of journal entries.  Review management accounting estimates.  Review transactions considered outside the normal course of business.

OTHER AREAS OF FOCUS	REASON	PLAN TO ADDRESS
1. Revenue and related risk of fraud	<ul style="list-style-type: none"> HLB ASA 240 <i>The Auditor's Responsibilities Relating to Fraud in an Audit of a Financial Report</i> - When identifying and assessing the risks of material misstatement due to fraud, the auditor shall, based on a presumption that there are risks of fraud in revenue recognition, evaluate which types of revenue, revenue transactions or assertions give rise to such risks. 	<ul style="list-style-type: none"> HLB Detailed fraud risk assessment HLB Document control environment over the revenue/debtors' cycle HLB Substantive test of details over revenue accounts HLB Review of minutes of meetings of the Board
2. Provision for Post Closure Rehab and Stage 3A Capping	<ul style="list-style-type: none"> HLB Material expense/liability. HLB Significant level of judgement. HLB Management's expert used to determine the value. 	<ul style="list-style-type: none"> HLB Assessment of key assumptions utilised in formulating the estimates in accordance with AASB 137 <i>Provisions, Contingent Liabilities and Contingent Assets</i> for reasonableness.
3. Lease liabilities	<ul style="list-style-type: none"> HLB New accounting standard AASB 16 <i>Leases</i> to consider for the year ending 30 June 2020. HLB Retrospective application required. HLB Lease liability to be recorded on the statement of financial position. 	<ul style="list-style-type: none"> HLB Review the list of lease liabilities and assess if recorded in accordance with AASB 16. HLB Review and test management's lease liability calculation, including the associated right-of-use asset. HLB Agree lease documentation to underlying schedules.
4. COVID-19 implications	<ul style="list-style-type: none"> HLB Significant issue for business in Australia. HLB Potential disclosure required in the general purpose financial report. 	<ul style="list-style-type: none"> HLB Review Directors' assessment of the impacts of COVID-19 on business operations. HLB Critically assess cash flow forecasts and 2021 budgets.
5. Weighbridge Data	<ul style="list-style-type: none"> HLB Weighbridge data is used to record the revenue and perform invoicing. HLB Requested by the audit committee 	<ul style="list-style-type: none"> HLB Obtain copy of the report in regard to the weighbridge data produced by Dean Newbery. HLB Review the report in line with its intended purpose and assess if findings are reasonable.

4. Audit fees

Our fees for this year's audit will be in accordance with our engagement letter.

These fees are based on the proposal for audit services previously provided to NAWMA and assume that management will provide all our information requests to complete the audit in accordance with the timeline agreed.

Should we experience any significant delays in the receipt of information requested, or shortcomings in the quality therewith, additional fees may be incurred, and the agreed timing of the signing of the financial report may not be met. We will advise on these matters as soon as they become apparent.

5. Audit timing

To ensure all of the entity's reporting deadlines are met, we detail below our planned audit timeline. Note, audit visits are now going to be performed offsite due to COVID-19.

MILESTONE	DATE
Planning/interim audit	25 May 2020
Final visit	6 August 2020
Issue Closing Report and meeting with management.	26 August 2020
Audit Committee meeting	7 September 2020

6. Independence and ethics

The Partner and all staff assigned to the Northern Adelaide Waste Management Authority audit engagement team for the year ending 30 June 2020 have confirmed that they are independent in accordance with the ethical requirements of Professional Standard APES 110: *Code of Ethics for Professional Accountants*. We also consider that the firm and our network firms are independent of Northern Adelaide Waste Management Authority

7. Significant Accounting Policies

Management shall consider the impact of the following major new accounting standards applicable to the entity this year and update the relevant accounting policies accordingly:

- AASB 15 *Revenue*
- AASB 1058 *Income of Not-for-Profit Entities*
- AASB 16 *Leases*

Refer **Appendix A** for detail on the new accounting standards applicable.

8. Materiality

Our audit is designed to identify and assess the risk of material misstatement. The concept of materiality affects our audit planning and our consideration of matters arising from our audit. We take into account both qualitative and quantitative factors when assessing materiality.

For the purpose of forming our audit opinion for the year we plan to apply a materiality level based on approximately 2% of operating revenue. Once we have completed our planning procedures, this percentage may be altered.

9. Fraud

Under Australian Auditing Standards, we are required to understand the entity's management and Board exercise oversight over the process for identifying and responding to the risk of fraud.

The primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. It is not the responsibility of the auditor to detect fraud. It is important that management, with the oversight of those charged with governance, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the lowlihood of detection and punishment.

We will gain an understanding of internal processes in place to oversee the identification and responses to risk within the entity.

10. Audit Adjustments

Prior to the conclusion of our audit, we will advise of:

- All adjustments to the financial report made as a result of our audit.
- Uncorrected misstatements identified during the audit which management determined were not material other than those that are clearly trivial.

11. Additional audit work

Please advise us should you wish us to extend the scope of our audit work to focus on a particular area of the business.

Appendix A – New and changes to accounting standards

We wish to bring to your attention some changes in financial reporting which may cause significant changes to your future reported financial position and performance. We have provided an overview of the major changes below and would be happy to discuss the impact on your business and assist with transition where applicable.

STANDARD	KEY POINTS
AASB 15 <i>Revenue from Contracts with Customers</i>	<p>AASB 15 changes the fundamental principle of revenue recognition from transfer of risks and rewards of ownership to transfer of control of a performance obligation. The five-step process for revenue recognition in AASB 15 is based on when and how control is transferred and will need to be considered for each contract.</p> <p>AASB 15 is used to account for not-for-profit (NFP) revenues where the contract creates enforceable rights and obligations, and the performance obligations are sufficiently specific. The resulting accounting treatment under AASB 15 will allow 'matching' of revenue and expenses as and when performance obligations are satisfied.</p> <p>The new revenue standard is effective for annual reporting periods beginning on or after 1 January 2019 for NFP entities.</p>
AASB 1058 <i>Income of Not-For-Profit Entities</i>	<p>AASB 1058 is an additional revenue standard to be considered by NFP entities. If a contract with a customer does not meet the criteria for AASB 15 accounting described above, then AASB 1058 will apply. The core principle of the new income recognition requirements under AASB 1058 is when a NFP entity enters into a transaction where the consideration to acquire an asset is significantly less than fair value principally to enable the entity to further its objectives, the excess of the asset recognised at fair value over any 'related amounts' is recognised as income immediately.</p> <p>An exception to the general rule relates to capital grants. Where a NFP entity receives a financial asset (such as cash) to acquire or construct a recognisable, non-financial asset (such as a building) to be controlled by the entity, AASB 1058 requires the entity to recognise a liability for the excess of the fair value of the transfer over any related amounts recognised, and recognise income as it acquires or constructs the non-financial asset.</p> <p>Where a NFP entity is a lessee in a lease that has significantly below-market terms and conditions principally to enable the entity to further its objectives (commonly referred to as 'peppercorn leases'), there are currently two options available.</p>

STANDARD	KEY POINTS
AASB 1058 <i>Income of Not-For-Profit Entities (continued)</i>	<p>NFP lessees can elect to measure right of use (ROU) assets (by class) arising under such leases at initial recognition either at:</p> <ul style="list-style-type: none"> • cost, or • fair value <p>If the cost option is elected, the ROU assets will be based on the initial measurement of the corresponding lease liability. Additional quantitative and qualitative disclosures are required to be made in the financial statements. Where the NFP elects the fair value option, the fair values of the ROU assets are recorded on the statement of financial position and an income amount recognised to account for the benefit received upon entering the lease.</p> <p>The new income standard is mandatorily applicable for financial years beginning on or after 1 January 2019.</p>
AASB 16 <i>Leases</i>	<p>The new leases standard is effective for reporting periods beginning on or after 1 January 2019.</p> <p>For lessees, AASB 16 removes the distinction between operating and finance leases: if an agreement contains a lease as defined in AASB 16 then it is recorded on the statement of financial position in the form of a right-of-use asset (non-current) and a lease liability (split between current and non-current). The statement of profit or loss and other comprehensive income will include interest expense relating to the liability and depreciation of the right-of-use asset.</p> <p>There are two optional exceptions to the general lease recognition criteria:</p> <ul style="list-style-type: none"> • Short-term leases – those leases where the lease term is less than 12 months and there is no purchase option included within the lease; • Low value assets – the underlying assets being leased are considered low value (approximately \$10,000) when new. <p>On transition, lessees have the choice to either retrospectively restate comparatives for each reporting period presented or apply a modified retrospective restatement method where adjustments are made via retained earnings on date of initial application (i.e. 1 July 2019 for 30 June 2020 year ends).</p> <p>The requirements for lessor accounting have been carried forward from AASB 117 Leases largely unchanged.</p>

New definition of 'material'

The definition of 'material' in AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Estimates and Errors* has been refined to assist entities in making judgements about whether information is material for inclusion in the financial statements.

OLD DEFINITION	NEW DEFINITION
Omissions or misstatements of items are material if they <u>could</u> , individually or collectively, <u>influence the economic decisions</u> that users make on the basis of the financial statements.	Information is material if omitting, misstating or <u>obscuring</u> it <u>could reasonably be expected to influence</u> the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Preparers of financial statements are encouraged to refer to the new guidance and improved explanations that have been introduced by the amendments in cases of uncertainty regarding materiality judgements. The standard is to be applied prospectively for annual reporting periods beginning on or after 1 January 2020.

Appendix B – Payroll underpayments

Recently, there has been significant media coverage about material wage underpayment within Australian businesses. The outcome from these claims has resulted in significant financial impact, not to mention the often-unavoidable lasting reputational damage for entities directly or indirectly caught up in such conduct.

Facts

The degree of wage theft in Australia is not limited to one industry or small business but in fact is widespread and has become normalised. Media sources have listed 20 plus organisations who have underpaid wages, these include, but are not limited to: Rebel, Macpac, Woolworths, Target, Supercheap Auto, ABC, Subway, Bunnings and Commonwealth Bank.

Investigations taken from leading payroll software and service providers found that approximately one in five (22 percent) of Australians were, and are, underpaid. Research indicates that Australians are also incorrectly paid three times a year, on average, potentially costing employees almost \$1.8 billion in lost wages per year.

Further investigation in to the matter shows that the underpayment of wages is due to the following issues:

RISK	ISSUE
Lack of internal controls / inadequate payroll processes	<p>No system in place for payroll to run effectively</p> <p>Poor time and record keeping practices</p> <p>Unauthorised access to financial data and sensitive payroll information</p> <p>Lack of internal audit/ review of payroll.</p>
Lack of training / skill in payroll function	<p>Lack of knowledge and compliance of the relevant legislation</p> <p>Lack of investment by organisations in adequate payroll resources including inadequate introductory payroll training</p>

RISK	ISSUE
Payroll system too complex	Payroll system configuration may have not been set up properly Pay frequency and timing Size of organisation and number of different departments Growth of an organisation
Awards and EBAs too complex	Employers are not aware of how modern awards and other industrial instruments apply to their employees No regular review of system master files

Risk

The Fair Work Ombudsman states that businesses will no longer receive leniency for failing to have their payroll in order, even when they self-report underpayments. Underpayments and related record keeping responsibilities is now a key focal point. Pressure is growing for the Federal Government to toughen penalties to challenge this issue, including the potential introduction of criminal sanctions for deliberate and systematic “wage theft” and the mistreatment of vulnerable personnel. Workplaces who breach compliance specifically in relation to underpayment of wages can expect larger fines, jail time for the most serious breaches and proposed Director disqualification for lesser breaches.

Organisations may also be obliged to provide compensation to employees making the financial impacts of this quite significant. Compensation could, in the worst case, lead to organisational failure.

Reputational risk may arise from the media listing all non-compliant organisations. If an organisation’s customers and consumers feel that they have been lied to, or inconvenienced, they are likely to take their business to a competitor which can cause further risk of financial issues and organisational failure.

Appendix C – COVID-19

COVID-19 colloquially known as ‘Coronavirus’ is a respiratory illness sweeping the world causing a global pandemic; the virus has a high death rate and is highly contagious. In addition to the serious implications for people’s health and to healthcare services, COVID-19 is having a significant impact on businesses and the economy. The impact stems from multiple factors including, but not limited to, continuing government restrictions, infection risk to employees and customers, forced closures, increased or reduced demand and financial issues.

Organisations must accept that the general public will continue to consume and spend in different ways. Staff will be utilised in different ways with a large proportion working remotely. And it is also likely that supplies will be disrupted as suppliers to businesses will be facing the same issues. COVID-19 will be a shock to a number of businesses which could place their immediate future in serious jeopardy, as there is no way of knowing how long this pandemic will last.

RISK	COMMENTARY
<i>Self isolation</i>	Some employees may be required to self-isolate or even be quarantined due to being in contact with the virus. This will raise the question on whether operations will be significantly impacted due to the virus spreading throughout the organisation. Staff may be required to work remotely and organisations will need to assess whether this is possible. Whichever outcome is necessary, the entity will still be required to keep communication, meet deadlines and be able to meet its commitments.
<i>Supply and demand chain</i>	It may be difficult for organisations to keep up with demand with limited staff resources and reduced supplies due to supply restrictions.
<i>Staff redundancies</i>	Depending on the outcome, some employees may become redundant or have reduced hours. This can affect if operations can still continue with less employees, or if the redundancy option will be more costly in the long run.
<i>Financial Implications</i>	It is clear that with these new restrictions main operations have been ceased or reduced, therefore it is making it difficult for entities to continue operating, causing cash flow issues. These financial implications can have a long-term effect on the going concern of an entity. When restrictions relating to COVID-19 reduce consumers and business operation will not immediately return to normal, it will take a significant time for the public and entities to recover.

RISK	COMMENTARY
<i>Fraud</i>	<p>Organisations should be aware of scammers and cyber criminals adapting existing technology to play on people's fears around COVID-19. These scams appear to be occurring through malicious emails, news and websites for the purpose of stealing money or personal information and creating further anxiety in the community.</p> <p>With employees working remotely, there may be the increased risk of fraud and error. Internal control environments will need to adapt in order for there to be an adequate management oversight of controls. Careful consideration on assessing this risk must be implemented.</p>
<i>Closure</i>	<p>Depending on the type of business, government restrictions have identified the essential and non-essential services provided and have limited or completely ceased non-essential services, to reduce transmission of the virus. Closure may also stem from financial and staffing issues.</p>

Our audit approach will consider all of this as part of our risk assessment and our audit procedures will be amended accordingly. Disclosure in financial statements is highly likely and we recommend Directors and management continually assess the impact COVID-19 has on their business.

For organisations, COVID-19 will form part of their internal risk management strategy and future strategic direction. Many businesses will face challenging decisions about how they run their business going forward. Cash flow forecasting will be paramount which will need to be updated as conditions change.

Our team at HLB Mann Judd are available to assist in these uncertain times with the following:

- ✓ Financial health checks
- ✓ Internal control reviews
- ✓ Cash flow forecasting
- ✓ Strategic planning
- ✓ Assistance with the various government assistance and incentive announcements applicable to your business or as an individual

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DISCLAIMER:

An audit of a financial report is not designed to identify all matters that may be relevant to those charged with governance. Accordingly, our audit does not ordinarily identify all such matters.

Our communication of matters of governance interest includes only those audit matters of governance interest that come to our attention as a result of the performance of our audit.



17 June 2020

Northern Adelaide Waste Management Authority
Audit Committee
C/- Rachel Zhou
71-75 Woomera Avenue
Edinburgh SA 5111

To the Audit Committee

NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY - AUDIT FOR THE YEAR ENDING 30 JUNE 2020

We have recently completed our interim audit procedures covering the period 1 July 2019 to 31 March 2020.

Our interim audit procedures included the following;

- Audit planning and risk assessment.
- Review Minutes of Meeting of the Board,
- Documented the control environment with regards to the primary audit cycles being Revenue, Expenses and Payroll.
- Performed internal control walkthroughs and internal control testing for operating effectiveness.
- Analytical procedures.

During the course of our interim audit we obtained an understanding of the internal control environment sufficient to allow us to determine our audit procedures. Our consideration of the control structure and procedures would not necessarily disclose all material weaknesses and is not intended to provide specific assurance on the internal control structure.

Our findings and an update on the status of the significant risks and other areas of focus as detailed in our planning letter dated June 2020 are set out in Appendix 1 section 1.

Other than our responsibility to Management and those charged with governance of Northern Adelaide Waste Management Authority, neither HLB Mann Judd nor any member or employee of HLB Mann Judd undertakes responsibility arising in any way from reliance placed by a third party, on this report. Any reliance placed is that party's sole responsibility. Our report is for the sole use of the Audit Committee and is not to be used by any other person for any other purpose and may not be distributed, duplicated, quoted, referred to, in whole or in part, without our prior written consent.

If you have any queries regarding our report or would like to discuss the matters further, please do not hesitate to contact me.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Jon Colquhoun'.

Jon Colquhoun
Director

hlb.com.au

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1. SIGNIFICANT ACCOUNTING AND AUDITING ISSUES AND OTHER FOCUS AREAS

AREA OF FOCUS	PLANNING LETTER PLAN	AUDITORS COMMENTARY
Management override of controls	Review journals posted throughout the year. Evaluate the design and implementation of controls around the processing of journal entries. Review management accounting estimates. Review minutes of meetings of the Board and Audit Committee	Based on work performed at the interim no issues have been noted. Further testing will be performed at year end.
Revenue and related risk of fraud	Fraud risk rebuttal Document control environment over the revenue/debtors cycle Revenue internal control walkthrough Revenue internal control testing Review minutes of meetings of the Board	Our interim audit testing did not identify any significant issues Management did not advise of any suspected or actual fraud
Provision for Post Closure Rehab and Stage 3 Capping	Assessment of key assumptions utilised in formulating the estimates in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets for reasonableness	If is our understanding that a valuation is being performed the current financial year. Audit testing is planned for the year end audit to consider the independent valuers report.
New Accounting Standards AASB 16 Leases	Review of the financial statement disclosure for the potential impact on the future financial performance and position on adoption of the new accounting standards Review leases and treatment for its appropriateness in accordance with the standard	It is our understanding that Dean Newberry has been appointed to assist in this regard as external accountants. We are waiting on a listing of leases entered into by NAWMA with the intension to perform testing at year end.

AREA OF FOCUS	PLANNING LETTER PLAN	AUDITORS COMMENTARY
COVID-19 Implication	<p>Review and discussion with management on the impact caused as a result of COVID-19.</p> <p>Assess the likely impact on the entities cashflow and viability of the operations.</p>	<p>Based on work performed it has been revealed that COVID-19 has not impacted the entity significantly with some positive outcomes due to recycled paper prices increasing due to shortages and an increase in hard waste collection as a result of people working from home. This has resulted in an increase in revenue that was originally budgeted.</p>
Weighbridge Data	<p>Obtain copy of the report in regard to the weighbridge data produced by Dean Newbery.</p> <p>Review the report in line with its intended purpose and assess if findings are reasonable.</p>	<p>Work to be undertaken at year end.</p>



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Agenda Item 9.6

Report Subject:	Audit Committee Independent Member update	Report Author:	Chief Executive Officer
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Meeting Date:	25 June 2020	Report Type:	Information report (governance)
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Attachments:	Nil
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RECOMMENDATION

That the Report is received and noted.

Purpose of the Report

To provide the Board with an update on the recruitment of three (3) new Independent Audit Committee Members.

Background

At the meeting of 14 May 2020, the Board resolved to authorise the Chief Executive Officer to advertise the three (3) Independent Member vacancies with terms to commence 1 July 2020.

Report

Following the 14 May 2020 Board Meeting, NAWMA Management engaged Stillwell Management Consultants to advertise the three (3) Independent Member vacancies for the NAWMA Audit Committee. The advertisements went live on Monday 18 May 2020 with applications closing on Monday 8 June 2020. In total, over fifty (50) applications were received for the three (3) vacancies. Current Audit Committee Members Mr Peter Brass and Mr Mark Labaz have advised the Chair and Chief Executive Officer that they have not reapplied for the vacant positions and the current term will be their final term.

Stillwell Management Consultants provided a longlist of eight (8) applicants to NAWMA Management who, in conjunction with NAWMA Chair Mr Cunningham, and outgoing Audit Committee Chairman Mr Peter Brass, shortlisted five (5) applicants for interview.

The interviews of the five (5) applicants will be undertaken by the Chairman and Mr Brass in WC 29 June 2020. The Chairman intends to present to the Board, via Circular Resolution in early July, the recommended three (3) applicants. In accordance with the NAWMA Audit Committee Terms of Reference Clause 2.1 (as reproduced below) and upon endorsement of the recommended applicants by the NAWMA Board, Mr Cunningham in his capacity as NAWMA Chair will write to the three (3) Constituent Councils for their subsequent endorsement prior to the Board appointing the members formally.



NAWMA Audit Committee Terms of Reference Clause 2.1

The NAWMA Board will determine the members of the Audit Committee and after the Constituent Councils have approved the independent members, appoint the members for an initial term of two years and thereafter for various terms as resolved by the Board.

At the time of formally appointing the Independent Members, the Board, in accordance with NAWMA Audit Committee Terms of Reference Clause 2.4 (as reproduced below) will be asked to appoint a Presiding Member for the Committee, who will act as Chairperson.

NAWMA Audit Committee Terms of Reference Clause 2.4

NAWMA Board shall appoint the Presiding Member who will be one of the independent members for a term determined by the Board.

Due to the 30 June 2020 expiry of the current three (3) Independent Members (Mr Brass, Mr McAllister and Mr Labaz) and the necessary time being taken to consider the new applications along with Constituent Council support, NAWMA are likely to be without an Audit Committee for a short period. NAWMA Management estimate this to be likely for a period of six (6) weeks, with an anticipated timeframe of formal appointments by the Board of early August 2020.

NAWMA Management are confident that the new Audit Committee members will be inducted and settled into their new roles prior to the scheduled 7 September Audit Committee meeting.





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Agenda Item 9.7

Report Subject:	2019/2020 Annual Business Plan progress report (standing item)	Report Author:	Chief Executive Officer
Meeting Date:	25 June 2020	Report Type:	Information report (governance, operational)
Attachments:	9.7.1 - Annual Business Plan Implementation Progress matrix		

RECOMMENDATION

That the Report is received and noted.

Purpose of the Report

To provide the Board and Audit Committee with a progress report on the activities set out in the 2019/2020 Annual Business Plan.

Background

The 2019/2020 Annual Business Plan was adopted by the NAWMA Board at the meeting of 3 July 2019, after consultation with the three (3) Constituent Councils.

The Annual Business Plan outlines the priority programs, projects, and actions that the Administration will embark on in order to meet the needs of the Constituent Councils and deliver on the 2018-2025 Strategic Plan. It is an ambitious Plan containing 22 projects for the financial year.

This item will be a standing agenda item moving forward to ensure the Board have clarity over the delivery of the 2019/2020 Annual Business Plan.

Report

The matrix appended at Attachment 9.7.1 is a snapshot update of the progress made against the 2019/2020 Annual Business Plan.

NAWMA's Chief Executive Officer is pleased to report that coming toward the end of the financial year reporting period, NAWMA has commenced all 22 projects, programs and actions. Many are well progressed towards completion or deemed complete and the remaining projects will be carried over into the 20/21 financial year.

The WHS Skytrust implementation has seen significant progression since the additional resourcing was endorsed by the Board in February 2020 and the program is now being used by the WHS and Environmental Officer and department managers in a test capacity. The final stage of the implementation will occur in the 20/21 financial year and will include formal training and roll-out to all other staff across the organisation as the program enters the business as usual phase.



2019/2020 Annual Plan				
Activities	Annual Plan Reference	2018-2025 Strategic Plan Linkage	Metric	Status
Implement Strategic Plan 2018-2025	3.1.1	All	Progress made on the implementation of the Strategic Plan	Ongoing
Operations Reference Committee	3.1.2	Objective 1, 2, 3	Bi-monthly Committee Meetings held	Completed
Chief Executive Roundtables	3.1.3	Objective 1, 2, 3	Meetings held at least quarterly	Completed
Finance ERP System Integration	3.1.4	Objective 3	Finance ERP System implemented as BAU, and informing decisions	Completed
Service Level Agreements	3.1.5	Strategies 1, 2, 5, 8	SLA's adopted	Completed
Particpate in State Government High Level Working Group	3.1.6	Strategies 10, 11	CEO representation on three (3) high level working groups	Completed
Upgrade Research Road Transfer Station	3.2.1	Strategy 7, 8	Upgrade plans fully developed and commence upgrade construction	Ongoing. Capital received from City of Salisbury, site works expected to commence August 2020
Capital Upgrade Materials Recovery Facility	3.2.2	Strategies 1, 3, 4 5, 7, 8, 10, 11. Objective 1, 2	Three capital upgrade projects completed	Completed
Develop Downstream (onshore) Markets for Recovered Recyclables	3.2.3	Objective 2. Strategies 4, 10	Local, domestic, Australian markets identified for recovered resources	All materials onshore except for fibre (due to Norske deal ceasing). New focus on recycled glass fines
(Opt-out) Food Organics Garden Organics (FOGO) Business Case and Planning	3.2.4	Objective 1. Strategies 1, 5, 7, 9	Business Case developed, and consultation workshops with Councils held; 20/21 Buget Bid developed	City of Playford pilot project completed and Constituent Council consultation commenced, workshop held June 2020. Budget Bid moving to 21/22
Establish a regional household paint and chemical drop off facility	3.2.5	Strategies 1, 7	Free household detox facility operational	Completed
Ensure cell development, rehabilitation, and necessary capital planning	3.2.6	Objective 3	Design work completed to maximise airspace	Completed
Longlist/Shortlist Landfill Alternatives	3.2.7	Objective 3. Strategies 8, 10, 11	Shortlist completed and presented to Board for next stage of diligence	Ongoing. Project Advisory Group (SPV) established. Board Report (update) June 2020
Internalising Repair and Maintenance Functions	3.3.1	Strategy 9	Key resources secured internally to drive R&M program	Completed
Business Support Function	3.3.2	Strategy 10, 11	Position filled, and driving efficiencies through data centered decision making	Completed
Risk Management Software Platform (Skytrust)	3.3.36	Strategy 10, 11	Skytrust implemented and integrated into business as usual	Ongoing. Skytrust implementation commenced with staff training and roll-out as the final steps.
Implementation of WHS Plan 2017-2020	3.3.4		Plan implementation progressed towards 2020 completion and integration across organisation	Ongoing. Audit completed in August 2019 and two year Action Plan in progress. Board Report (update) June 2020
Plan with Programs	3.3.5		Plan with Programs developed	Completed
Targeted education - resource recovery and circular economy practices	3.4.1	Objective 1. Strategies 2, 10	Campaign delivered and influencing diversion and contamination reults (measured through 2020 kerbside audit)	Ongoing. Significant amount of updated resources have been developed including corporate video, contamination strategy, App and website
Expansion of public facing community information	3.4.2	Objective 1. Strategies 2, 10	Promotional material delivered in face to face setting, in addition to public facing collateral	Ongoing, now focussing on virtual tours
Improved data capture from collection vehicles	3.4.3	Strategies 2, 9	On board fleet system implemented with working access provided to NAWMA to assist customer service, and contamination management	Ongoing. Fleetmax software installed on Suez vehicles, system training undertake and 'go-live' on 1 July 2020
Development of a coordinated Resource Recovery Communications and Education Plan	3.4.4	Objective 1. Strategies 2, 10	Consultation with Councils. Workshop with Board. Development of a Draft Plan for endorsement.	Ongoing. Plan developed and implementation underway.



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Agenda Item 9.8

Report Subject:	WHS Steering Committee Minutes (standing item)	Report Author:	Chief Executive Officer
Meeting Date:	25 June 2020	Report Type:	Information report (operational, governance)
Attachments:	9.8.1 – WHS Steering Committee Minutes of 26 May 2020 (latest meeting)		

RECOMMENDATION

That the Report is received and noted.

Purpose of the Report

To provide the Board and Audit Committee with an update of NAWMA's WHS Steering Committee.

Background

This Report is a standing item on the Board agenda.

Report

A meeting of NAWMA's WHS Steering Committee was held on Wednesday 26 May 2020. Appended (at Attachment 9.8.1) are the minutes of this meeting for the information of the Board and Audit Committee.



WHS STEERING GROUP MEETING MINUTES

WHS KEY PILLARS

1. Training & Qualifications
2. Records & Documentation
3. Maintenance & Housekeeping
4. Emergency Procedure



Meeting Title:		NAWMA WHS Steering Group				Chaired by:		Scott Filsell				Meeting Date:		26/05/20		Meeting Number:		55		
Venue:		NAWMA Woomera Ave				Secretary:		Scott Filsell				Start:		1:30pm		Finish:		2:10pm		
ATTENDEES		Attend	Apology	Absent	ATTENDEES		Attend	Apology	Absent	AGENDA:	1. Status of previous actions 2. New items • Black Text - ongoing • Red Text - New/Current items • Green Text - Completed Items		Risk Rating	To Be Started	In Progress	Completed	Closed	Total Items		
Adam Faulkner		X											Extreme							0
Danial Dunn		X											High			2	2			4
Jason Moorhouse		X											Moderate			6	5			11
Sarah Pain		X											Low			1				1
Scott Filsell		X											TOTAL	0	9	7	0			16
Zak Langridge		X																		
Distribution		Electronic copies to all attendees and individuals that are absent. Minutes stored on "N" Drive and displayed on site Notice Boards.						Date Issued		27/05/20		Next Meeting:		23/6/20 - 9:30am		Venue		NAWMA Woomera Ave		
Agenda Item		Issue Details						Action Required						Risk Rating	Action By	Date Raised	Due Date	Action Completed		
1.	Review any current Incidents or issues:		Incident Reports				• SUEZ driver accident – Cyclist – DD to follow up SUEZ Corrective actions received for review; Steering group discussed findings from incident. SUEZ to complete actions identified from investigation.						High	SUEZ	11/2/20 18/5/20	26/5/20 26/5/20	26/5/20			
2.	Records & Documentation		New Corrective Actions identified from Hazard Reports & Investigations Review of Corrective Actions identified from Hazard Reports & Investigations				• Take 5 booklets to be rolled out at all other sites also and training on how/when to use, also looking into making Take 5 Templates for use in Skytrust						High	Scott Filsell	19/2/20	23/6/20				
3.	Training & Qualifications		Attendance / Non-Attendance				• Isolation & LOTO training to be carried out ASAP for RRC,WPF workers and maintenance fitter. • Training carried out for Risk assessments TN,SF,JM,SFraser,JF,CP • ChemAlert Training SF JM						High	Scott Filsell Jason Moorhouse	29/4/20 29/4/20 20/5/20	26/5/20 26/6/20 26/5/20	26/5/20 29/4/20 20/5/20			

WHS STEERING GROUP MEETING MINUTES

WHS KEY PILLARS

1. Training & Qualifications
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4. Emergency Procedure

Agenda Item	Issue Details	Action Required	Risk Rating	Action By	Date Raised	Due Date	Action Completed
4.	Records & Documentation	SWP Development	Moderate	Jason Moorhouse Scott Filsell Thao Nguyen	11/10/17	Ongoing	
5.	Records & Documentation	Development of Contractor Management System Skytrust - Improve safety culture throughout the organisation	Low	Scott Filsell Sarah Pain	11/10/17	Ongoing	
6.	Maintenance & Housekeeping Training & Qualifications Records & Documentation	Designated walkways Edinburgh Nth site - WHS Summit SafeWork NSW, EPA & Industry leaders Veolia, SUEZ and others.	High	Scott Filsell Jason Moorhouse Danial Dunn SUEZ Scott Filsell	22/05/18 01/10/19	Ongoing July 2020	
7.	Emergency Procedure	Confined Space Emergency Plan	Moderate	Scott Filsell Jason Moorhouse Dean Williams	02/04/19	23/6/20	
8.	Records & Documentation	CoR (Chain of Responsibility) NHVL (National Heavy Vehicle Law)	Moderate Moderate Moderate	Scott Filsell Danial Dunn Danial Dunn	23/07/19 27/3/20 1/5/20	28/04/20 26/5/20 26/5/20	26/5/20 26/5/20 26/5/20

WHS STEERING GROUP MEETING MINUTES

WHS KEY PILLARS

1. Training & Qualifications
2. Records & Documentation
3. Maintenance & Housekeeping
4. Emergency Procedure

Agenda Item		Issue Details	Action Required	Risk Rating	Action By	Date Raised	Due Date	Action Completed
9.	Records & Documentation	WHS Plan & Programs	<ul style="list-style-type: none"> Review WHS Plan and Programs, prioritise actions and close out completed actions. Action plan to be submitted to the Board and Audit committee and Peer review from the "Scheme" *refer notes from peer review* Action plan underway with WHS & Risk Actions, NAWMA receiving assistance from outside resource for Skytrust implementation. Adam Faulkner raised, Risk Action Plan to be bought to next committee meeting to discuss potential delegation of actions to team members. 	Moderate	All Scott Filsell Scott Filsell All	16/05/19 20/8/19 29/4/20 29/4/20	Ongoing Ongoing 9/6/20 2/6/20	5/5/20
10.	Records & Documentation	Proposed Modifications to Pooraka RRC	<ul style="list-style-type: none"> Scott Filsell & Jason Moorhouse to complete R/A's for both proposed modifications to the site to improve the sites safety, vehicle interactions with pedestrians and efficiency. 	Moderate	Scott Filsell Jason Moorhouse	11/12/19	23/06/20	
11.	Emergency Procedure	Visitors to MRF – Tour Groups	<ul style="list-style-type: none"> It was raised following a Tour Group visit to the MRF 11/3/20 that some of the guests were not in appropriate clothing or footwear and some struggled to navigate the tour route, also were in close proximity to the working area of our baled material storage area. Recommend modifying tour route and restricting access to MRF operating areas. Tours postponed due to COVID-19. Tour Procedure updated regarding suitable attire when on site. NAWMA moving to Virtual Tour of plant to reduce risks further. 	Moderate	All	5/3/20	26/5/20	26/5/20
12.	Emergency Procedure	Dust Control measures in MRF	<ul style="list-style-type: none"> Sourced alternative air conditioning vents to prevent dust being stirred up by air on conveyor. To be installed. Completed install working well. Further methods will be investigated to reduce the amount of dust in the pre-sorting room. Sorters are keeping sort room doors closed assisting with pressurising room and lowering dust concentrations dramatically. 	Moderate	Scott Filsell	27/3/20	26/5/20	26/5/20
13.	Records & Documentation	Drug and Alcohol Testing (D&A)	<ul style="list-style-type: none"> Discuss scheduling of D&A testing more frequently, SF to supply schedule of costings for discussion. Forwarded cost summary to Steering Group members. Danial Dunn to arrange discussion with Randstad regarding regular testing of the Randstad staff working in the MRF. Meeting held with Randstad costings provided. DD to follow up with Sarah Williams from Randstad of cost sharing for testing. 	Moderate	All Danial Dunn	17/4/20 29/4/20	26/5/20 23/6/20	26/5/20

WHS STEERING GROUP MEETING MINUTES

WHS KEY PILLARS

1. Training & Qualifications
2. Records & Documentation
3. Maintenance & Housekeeping
4. Emergency Procedure

Agenda Item		Issue Details	Action Required	Risk Rating	Action By	Date Raised	Due Date	Action Completed
14.	Records & Documentation	Electrical Procedure – Test & Tagging	A 'New Electrical Equipment' register is to be placed onto NAWMA's "SharePoint" page to allow users to include new electrical items purchased to be added onto the relevant Test & Tag Register. Need to check staff access rights for SharePoint, speak to Charmaine Wing to include onto Shaun Emmott's action list to investigate.	Moderate	Scott Filsell	18/5/20	23/6/20	
15.								
16.								