



# **Annual Report**

## 2019-2020



**NAWMA's Uleybury Balefill and Renewable Energy Park is the first combined solar – landfill gas farm of its type in Australia and continues to generate power using over 11,000 solar panels and gas extracted from 18 vertical wells.**





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# Our Mission & Objectives



## About NAWMA

We provide local waste management and resource recovery services and infrastructure of global significance. We do this on behalf of our Constituent Councils: City of Salisbury, City of Playford and Town of Gawler.

## Mission

To deliver world-class recycling and waste management services to our Constituent Councils.

## Objectives

### Objective 1: Achieve best practice in diversion of waste from landfill

Performance indicators:

- All Constituent Council households to have access to a three-bin system by 2020 (deferred until 2021/2022)
- Increase kerbside diversion from 45% to 70% by 2023
- Reduce the contamination rate of the kerbside recycling bin to less than 10% by 2023

### Objective 2: Advocate and facilitate a circular economy

Performance indicators:

- Recycle 100% of yellow bin (household) recovered material in Australia by 2020, and only access international markets where domestic markets are not available or commercially viable)
- Engage with Constituent Councils to encourage the purchasing back of half (by weight) of their kerbside recovered recyclables in the form of sustainable procurement by 2023

### Objective 3: Maintain cost-effectiveness in service delivery

Performance indicators:

- Efficiently manage the life of the Uleybury Landfill, while investigating landfill alternative technologies in readiness for post-closure



# Report from the Independent Chairman

**2019-2020 has been a year of consolidation for NAWMA, where we have continued to deliver a high level of services to our Constituent Councils and residents, while navigating the most volatile recycling market since the inception of kerbside recycling.**

Without a doubt it has been NAWMA's most challenging year in which we have had no control over recycled commodity prices. FY20 saw periods of the lowest return for these commodities since the inception of kerbside recycling, exceeding both the global financial crisis and China SWORD (restrictions on importation of recyclable material).

Notwithstanding, where others interstate and overseas have failed, NAWMA has continued to operate a best practice Material Recovery Facility

controllable costs, generating greater revenues and working on new recycling initiatives, NAWMA posted a \$1.3M operating deficit for the financial year. Had NAWMA not acted with urgency and prudence, the operating result could have been much worse.

Testament to the leadership of the NAWMA Board and Constituent Councils, and with the support of Green Industries South Australia, NAWMA continued to invest and future proof the MRF. Three (3) projects were delivered in the financial year,



*NAWMA's Chair Brian Cunningham and Chief Operations Officer Daniel Dunn take Federal Assistant Minister for Waste Reduction and Environmental Management the Hon Trevor Evans MP through a tour of the Material Recovery Facility.*

(MRF; recycling plant) and in FY20, proudly ensured that every single tonne of yellow top bin recyclables were marketed into domestic (Australian) and valid global recycling reprocessors.

The recycling market volatility has however impacted on NAWMA's 2019-2020 financial result. At the mid-year point, NAWMA's Administration under the guidance of the Board, commenced austerity and revenue boosting measures that assisted in balancing the low commodity returns. Despite reducing

on time and on budget. A MRF shed footprint extension accommodated Australia's first artificially trained robotic mixed recycling sorting machine, and South Australia's only glass recovery plant. These initiatives will deliver a return on investment within 2-3 years by sorting more and higher quality recyclables and minimising any material loss through the plant. We very much look forward to a time when restrictions are lifted, and we can show our community through this world class facility.



*NAWMA's best practice Material Recovery Facility (MRF; recycling plant).*

In terms of governance, the NAWMA Board and Audit Committee functioned well during the turbulent year and continued to provide a steady hand. Not satisfied with business as usual, and with a strong focus on the future, the Board established NAWMA's first special purpose vehicle (SPV; project advisory group) to investigate future options available for red-lid bin waste.

The SPV terms of reference are unambiguous; to accelerate thinking and develop options for when the Uleybury Balefill Renewable Energy Facility is closed in circa 2025-2027. The SPV is comprised of NAWMA Board representatives, Constituent Council Executive, and highly skilled independent parties that specialise in procurement, probity, social licencing and community consultation, and circular economy.

I chair the SPV and our Chief Executive Adam Faulkner is the dynamic and extremely competent driver of this initiative. We are all very proud of what has been achieved in a short timeframe and we will have more to say on this matter in the coming year(s).

Reputationally, NAWMA remains as one of Australia's leading waste management and resource recovery organisations and we continue to drive thought leadership in our field. We have the opportunity and the will to work with our Councils in stimulating economic and environmental activity in the Northern Region of Adelaide. This is widely recognised and amongst the many political, industry, international, and community visitors to our sites in 2019-2020, the visitation of Federal Assistant Minister Trevor Evans was a highlight.

Assistant Minister Evans showed a great deal of interest in NAWMA, and this interest was translated

into Commonwealth Policy as the National Waste Policy and recycling export bans were crafted.

We continue to be in dialogue with the Assistant Minister's Office. I take this opportunity to thank the NAWMA Board for their advice and leadership, our Constituent Councils (Mayors, Elected Members, Chief Executives, and Administrations) who have been strong and supportive in this tough economic year, as well as our very competent Audit Committee and SPV members. I also want to thank sincerely NAWMA's Chief Executive and his outstanding Senior Management Team, together with our wonderful staff.

It is their efforts and commitment that make our organisation great. NAWMA continues to be an employer of choice, with a recent staff satisfaction survey revealing an overall 97% satisfaction.

Finally, I want to congratulate on behalf of all of us, NAWMA's Chief Executive Officer Adam Faulkner for winning the Inaugural Doug Dean Industry Leader of the Year Award, the most prestigious honour in the Australian waste management and resource recovery industry. It is well deserved and reflects well on NAWMA as an organisation. Well done Adam and Senior Management Team.

I look forward to a successful year in 2020-2021 in continuing to deliver our Strategic Plan outcomes to our Councils and our community and I reiterate our strong belief that whilst we face strong headwinds at present, our medium to long term future looks very bright, with all indications of returning to a balanced operating result within a few short years.

I commend to you the 2019-2020 Annual Report.



**Brian Cunningham**  
**Independent Chairman**



# Report from the Chief Executive Officer

**In my 23 years in the waste management and resource recovery sector, I have not experienced operating conditions as difficult as the past 12 months. With returns for our recyclables reaching an all-time low, compounded by a significant mid-year increase in the Solid Waste Levy, I am very proud of how the Board and my team navigated this financial year.**

We have continued to find recycling markets where others couldn't, all whilst undertaking a \$4M investment upgrade of the Material Recovery Facility (MRF). NAWMA is extremely fortunate to have a visionary Board and group of Constituent Councils who did not waver during the difficult times. And I am very fortunate to have a highly skilled and passionate team to help deliver a high standard of infrastructure and services to our community.

While we posted an operational deficit, we have reconstructed our Long-Term Financial Plan which models a return to a balanced budget in the years to come. Aligned with further efficiency measures, The Senior Management Team was restructured with two distinct teams led by Danial Dunn as Chief Operating Officer (COO), and Rachel (Yi) Zhou as Chief Financial Officer (CFO). This change streamlined our management structure and allowed NAWMA to act quickly and decisively when the recycling commodity markets defied history. Instead of receiving revenue from the sale of the materials, it resulted in NAWMA having, at times, to pay to move over half of the yellow bin recyclables on to downstream recyclers.

We took the time to build the knowledge within our own Constituent Councils and those Client Councils accessing the MRF, hosting several information sessions and transparently showing the pressures facing NAWMA and other MRFs across Australia and the globe.

During the COVID-19 restrictions, we were one of the few organisations that continued business as usual, and in fact employed more staff during this period to accommodate all of the additional recyclables, hard waste and yard clean-ups that were undertaken by householders whilst at home.

In relation to the other NAWMA infrastructure, we commissioned a new side wall liner at Uleybury Balefill Renewable Energy Facility and finalised a design for the future upgrade of the Research Road (Pooraka) Resource Recovery Centre. Edinburgh North (Bellchambers Road) continues to be a high-traffic site with residents using the second-hand salvage store, the container deposit return depot, and our Resource Recovery Centre.

Our collection contractor upgraded their gas system which now allows for the 23 collection trucks to be autonomously filled with High Density Compressed Natural Gas overnight.

Accountability is critical in providing waste and recycling services to the northern community, so we embarked on a resident satisfaction survey, staff satisfaction survey, and NAWMA Board self-assessment, to enable us to keep improving. The results were by and large positive, while giving us some key development elements.

I attended the first Commonwealth Government National Plastics Summit in Canberra and have been feeding into the Federal Government's priorities around investment and policy intervention, which is all part of NAWMA's leadership position within the industry.

Our communications and education in the community continued, with the opening of a redeveloped Education Centre at our Edinburgh site. The focus of the Centre is community engagement and circular economy and showcases to residents the significant role their behaviours play through recycling. We continue to urge residents to help NAWMA and their community by putting the right things in the right bins through specially developed resources and site tours.

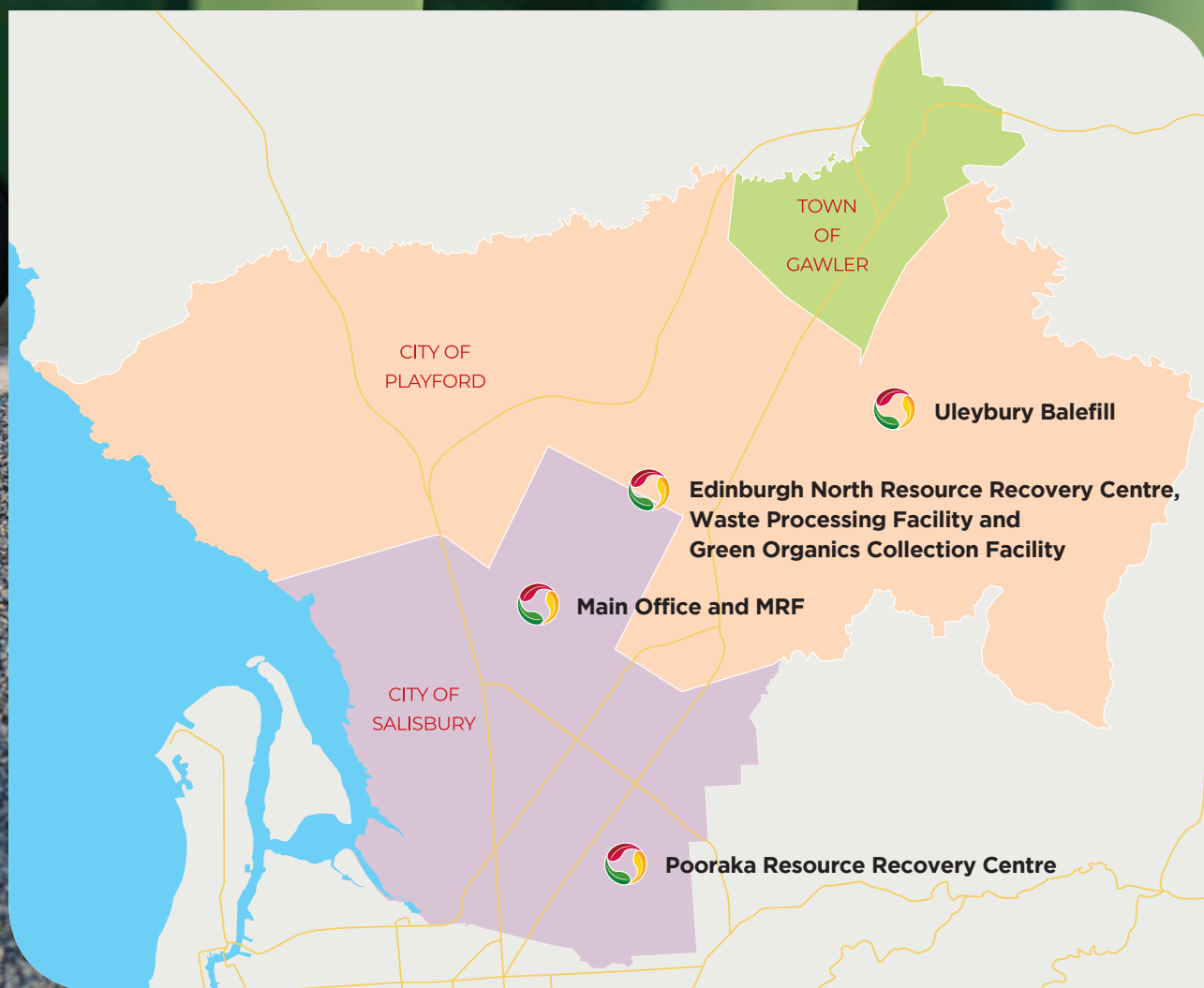
We are passionate about recycling, resource recovery, and transitioning to a more circular economy while delivering a balanced budget.



Adam Faulkner  
Chief Executive Officer

The coming years look very positive, and I look forward to working in partnership with City of Salisbury, City of Playford and Town of Gawler in delivering excellent and efficient services.

# NAWMA's Northern Area Services Map





# NAWMA

## Governance

**NAWMA is administered by a Board in accordance with the requirements of the Local Government Act (1999), the NAWMA Charter and various other policies. The Board are responsible for the overall governance, management and strategic direction of the Authority.**

The Board meets bi-monthly and drives organisational performance to deliver efficient, best practice services and facilities to our Constituent Councils.

As defined by the NAWMA Charter, the membership of the Board comprises of ten (10) Directors -three Directors appointed by each of the Constituent Councils, and one independent person appointed by the Board who acts as Chair.

The Board appoints a Chief Executive Officer who is responsible for implementing the decisions made by the Board and the day to day operations of the Authority.

The Board held six (6) formal meetings over the 2019-2020 financial year. The table below details Board Member attendance at the six meetings. Several other matters were resolved by Circular Resolutions out of Board Meeting frequency.



Mr Brian Cunningham  
**Independent Chair**  
6 of 6 meetings



Mr Sam Green  
**City of Playford**  
6 of 6 meetings



Cr Shirley Halls  
**City of Playford**  
5 of 6 meetings



Ms Grace Pelle  
**City of Playford**  
4 of 6 meetings



Mr Charles Mansueto  
**City of Salisbury**  
5 of 6 meetings



Cr Julie Woodman  
**City of Salisbury**  
6 of 6 meetings



Cr Graham Reynolds  
**City of Salisbury**  
5 of 6 meetings



Mr Henry Inat  
**Town of Gawler**  
4 of 6 meetings



Cr Paul Koch  
**Town of Gawler**  
6 of 6 meetings



Cr Paul Little  
**Town of Gawler**  
5 of 6 meetings

### Deputy Board Member

### Meetings

Cr Clint Marsh	City of Playford	3 of 3
Cr Diane Fraser	Town of Gawler	3 of 3

Note: Deputy Board Directors attend meetings only as required.

## Audit

In accordance with the requirements of the Local Government Act (1999), NAWMA has an established Audit Committee.

The functions of the Committee include:

- monitoring the integrity of NAWMA's financial statements, including its annual report, reviewing significant financial reporting issues and judgements which they contain;
- reviewing the adequacy of NAWMA's accounting, internal auditing, reporting and other financial management systems and practices on a regular basis; and

- reviewing and providing recommendations to NAWMA on the sustainability of its financial performance and proposals with respect to debt levels included in the strategic management plans and, in particular, the long-term financial plan.

The membership of the Audit Committee consists of six (6) members, three (3) members who are independent members (including the Chair), two (2) members who are NAWMA Board Directors, and the NAWMA Board Chair as an Ex-Officio member.

The Audit Committee held six (6) formal meetings over the 2019-2020 financial year. The table below details Audit Committee Member attendance at these meetings:



Mr Peter Brass  
**Independent Chair**  
6 of 6 meetings



Mr Mark McAllister  
**Independent Member**  
5 of 6 meetings



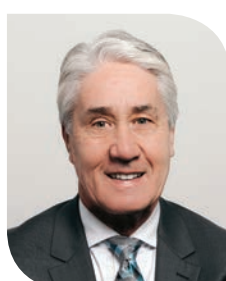
Mr Mark Labaz  
**Independent Member**  
6 of 6 meetings



Mr Charles Mansueto  
**Board Director**  
6 of 6 meetings



Cr Graham Reynolds  
**Board Director**  
6 of 6 meetings



Mr Brian Cunningham  
**Ex-Officio Member**  
4 of 6 meetings

*The Audited Financial Statements for the year ended 30 June 2020 are provided from page 21.*



NAWMA's Uleybury Landfill.

## Technical Working Group

NAWMA's Technical Working Group (TWG), comprised of an Executive from each Constituent Council, meets ad-hoc to discuss any operational or strategic matter that has arisen for the Authority. The membership of the Technical Working Group is based upon skillset, and various Constituent Council Executives are called upon determined by the matters at hand.

The TWG members provide guidance and advice to NAWMA's Management and throughout 2019-2020 have been instrumental in implementing a number of the Authority's major achievements, particularly the Strategic Plan 2018-2025.

## Constituent Council Chief Executive Officer Roundtable

NAWMA's Independent Chairman held seven (7) meetings of the Constituent Council CEO's to discuss strategic matters and facilitate collaboration in service delivery during 2019/2020. The roundtable meetings are assisted by the NAWMA CEO as subject matter expertise and secretariat duties.

# Resource Recovery

## Resource Recovery Centres



### NAWMA operates two Resource Recovery Centres (RRCs) within the northern Adelaide community.

NAWMA's Edinburgh North Resource Recovery Centre continues to provide several important resource recovery services. The facility houses:

- a drive-through, undercover Resource Recovery Centre for materials recovery,
- a Salvage and Save retail outlet operated by Mobo Group in association with NAWMA, which provides employment for community members and supports a disability workforce while providing an opportunity for the reuse of valuable household resources; and
- a recycling service for bottles and cans, operated by Scouts SA.

In addition to the Edinburgh North Resource Recovery Centre, NAWMA operates and manages the City of Salisbury owned Pooraka Resource Recovery Centre.

The Pooraka Resource Recovery Centre has been earmarked for a site upgrade in late 2020 with an emphasis on traffic management, fire protection standards and the minimisation of WH&S risks associated with loading/unloading of waste and recyclable materials.

In line with recommendations made during the COVID-19 pandemic, both of NAWMA's Resource Recovery Centres transitioned to cashless in early May 2020. Whilst the removal of cash at these sites is a necessary physical safety precaution, it is also part of a whole-of-business risk mitigation strategy and will remain in place long-term.

**Statistics for the combined operations of the two Resource Recovery Centres for the year ended 30 June 2020 show more than:**

- **114,000 customers** accessed the facilities delivering green waste and general waste;
- **14,000 tonnes of material** were transported to SUEZ-ResourceCO for processing into Refuse Derived Fuel (RDF);
- **6,000 mattresses** were recovered and recycled, almost doubling the number recovered during the 2018/2019 year;
- **4,000 tyres** were collected and recycled; and
- **114,000 litres of paint** was safely disposed of.

In partnership with Green Industries SA, NAWMA opened a Community Chemical and Paint Drop-off facility at the Edinburgh North Resource Recovery Centre in August 2019. A variety of hazardous household substances can now be responsibly disposed of, including poisons, acids, pharmaceutical products, brake fluids, lithium batteries and coolants. The facility, which is open to the public seven days a week, accepts household quantities only and is free of charge. In the first year of operation the site saw over 18,000kg of hazardous waste accepted for responsible disposal.

In August 2020 NAWMA will install and commission an expanded polystyrene (EPS) machine that can turn pure, clean foam into a form that can be reused to make other items such as photo frames and coat hangers. The purchase of this machine was made possible through a successful grant application with the State Government's Recycling Infrastructure program administered by Green Industries SA.

Residents are now able to recycle household quantities of clean, white, rigid polystyrene packaging foam for free at our Edinburgh North Resource Recovery Centre.



# Each Year **NAWMA...**



Delivers services to  
more than

**110,000**

households within  
the Cities of Salisbury  
and Playford and the  
Town of Gawler



Generates

**8,700**

MWh of electricity to  
power 1,900 SA homes  
from Australia's first landfill  
gas and solar power plant  
at a landfill site.



Recovers

**32,000**

tonnes of organic  
material which is sent  
for composting in South  
Australia



Processes

**66,000**

tonnes of landfill material



Provides  
employment  
for nearly

**80**

people



Sorts

**55,000**

tonnes of recyclables



Provides more than

**30,000**

hard-waste services



# Resource Recovery

## Material Recovery Facility (MRF)

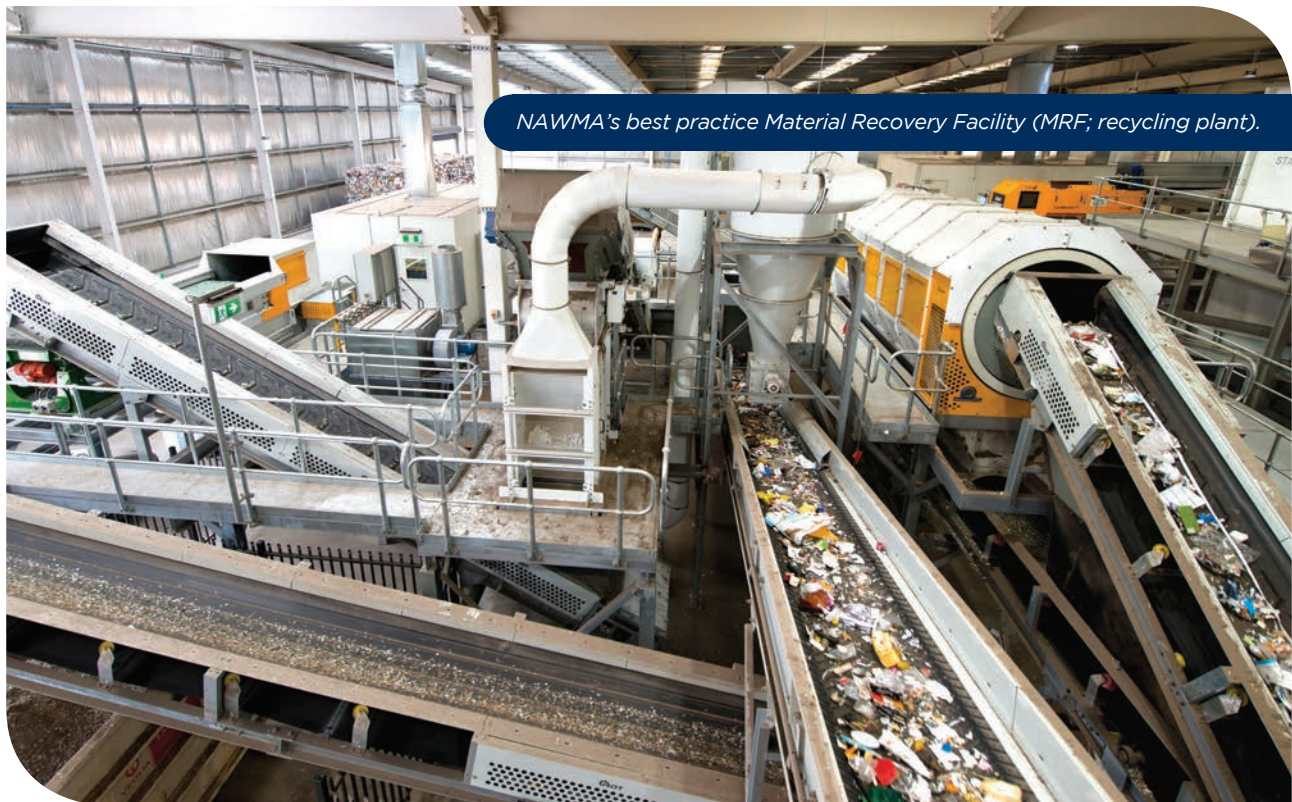
**NAWMA houses the only local government owned and operated Material Recovery Facility (MRF) in South Australia, and one of few in Australia.**

Our world-class best practice facility sorted more than 55,000 tonnes of kerbside recyclables during 2019-2020, recovering and processing high quality finished goods such as paper, plastics, glass, aluminium and steel.

These secondary raw materials were marketed locally, interstate and (where domestic markets do not exist or are not commercially viable) internationally.

looking to sell their recyclables. Through these difficult times, NAWMA is proudly continuing to responsibly recycle every tonne of recyclables presented to our MRF.

One of our biggest achievements in 2019-2020, was the construction of an extension to the MRF building to install and commission a glass fines recovery plant and robotics.



*NAWMA's best practice Material Recovery Facility (MRF; recycling plant).*

Operating its own MRF means NAWMA has some capacity to shield Constituent Councils from the full impact of the well-publicised deteriorated commodity markets.

NAWMA's MRF has been designed to enable flexibility in plant speed and labour force participation. This has resulted in achievement of a very high specification for the recovered materials, and hence the ability to continue to find markets (albeit at depressed conditions) while others across Australia and the globe have not. NAWMA's reputation for quality has continually put us in the front of a very long international queue of MRFs

This investment is significantly enhancing the recoverability of material that was previously unrecoverable and was successfully commissioned in April 2020. Once at full capacity, we believe that as much as 14,000 tonnes of small broken glass and recyclables will be diverted away from landfill and create four (4) new jobs at NAWMA's Edinburgh MRF.

NAWMA commenced trials with many local civil contractors during the year, with a view to use recycled glass as virgin sand replacement material in roads and footpaths.



# Resource Recovery Material Recovery Facility (MRF)

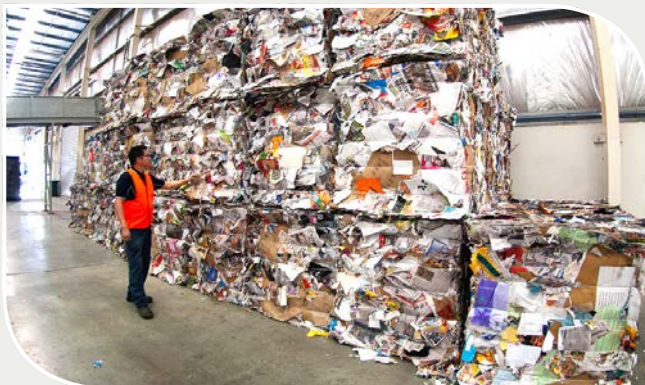


Our world-class, best practice facility with dedicated staff sorted more than 55,000 tonnes of kerbside recyclables during 2019-2020.















As well as reclaiming plastics for re-use, NAWMA commenced trials with civil contractors during the year, with a view to use recycled glass as virgin sand replacement material in roads and footpaths.

The MRF is a combination of trommels, magnets, eddy-currents, ballistic separators, and manual picking stations, fed by over half a kilometre of conveyor belts.



# Resource Recovery Material Recovery Facility (MRF)

## Financial and Operational Costs of doing Business

	2017	2019	2020
<b>OPERATING COSTS</b> (increased over time)	 Low	 Medium	 High
<b>COMMODITY PRICING</b> (deteriorated over time)	 High returns	 Modest returns	 Minor returns
<b>CONTAMINATION</b> (has remained too high)	 High	 High	 High
<b>SOLID WASTE LEVY</b> (cost to dispose of contamination has increased over time)	 SOLID WASTE LEVY: \$76 PER TONNE*	 SOLID WASTE LEVY: \$100 PER TONNE*	 SOLID WASTE LEVY: \$140 PER TONNE*

\*Metro

### OTHER FACTORS CURRENTLY AFFECTING OUR OPERATIONS

- Higher quality material required
- Reduced market size
- Increased export scrutiny
- Reduced onshore mills
- Fewer shipping lines available

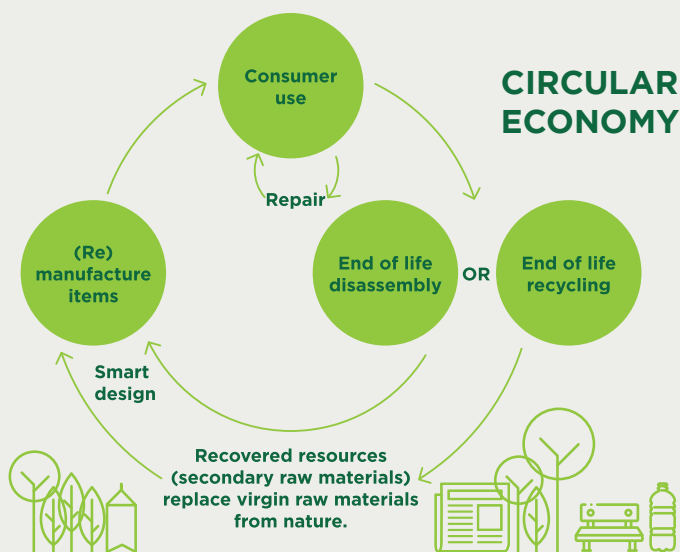
### THINGS WILL GET BETTER



Onshore employment creation



More paper mills under construction in 2025





# Resource Recovery

## Food and Garden Organics

**NAWMA's Food and Garden Organics (FOGO) green-lid bin collection is an opt-in service for the residents of our three Constituent Councils. The service continues to grow in popularity with more than 65,000 FOGO bins currently in service, with an overall average participation rate of 57%.**

The kerbside collected organic material is transported to our Edinburgh North facility by Suez (NAWMA's kerbside collection contractor) using side-loader vehicles, specifically designed for the kerbside collection of bins.




The material is stored short-term, before being bulk hauled by sealed vehicles to one of Peats Soil and Garden Supplies facilities. The material is processed by Peats into mulch and compost products. Many of these products are used in large-scale operations such as vineyards and market gardens.

This financial year Peats processed more than 23,000 tonnes of kerbside collected material with another 9,000 tonnes of material sent for processing via NAWMA's Resource Recovery Centres.

In late 2019 NAWMA partnered with an experienced industry consultant, and City of Playford, to undertake a FOGO pilot within two selected areas of City of Playford. Residents within the pilot area without a FOGO service were offered the service without the price point (free of charge), and those with a FOGO service offered a caddy/liners.

All participants were provided with education materials and follow up check-in/reminders. The results of the pilot were very encouraging, with an increase in participation of 23% bringing the overall total participation in City of Playford to 75%. The results of the pilot in conjunction with modelling and discussion with our Constituent Councils will inform future decisions for the household FOGO service.

### 2019/2020 Tonnes Collected for our Constituent Councils

	 <b>Waste</b>	 <b>Recycling</b>	 <b>FOGO</b>	<b>TOTAL</b>	<b>Diversion</b>
<b>Playford</b>	18,989	6,856	6,253	32,098	41%
<b>Salisbury</b>	30,856	10,122	15,199	56,177	45%
<b>Gawler</b>	5,443	1,752	2,430	9,625	43%
<b>Total (Tonnes)</b>	<b>55,288</b>	<b>18,730</b>	<b>23,882</b>	<b>97,900</b>	<b>43%</b>

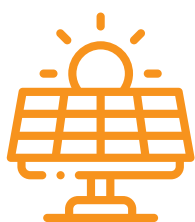






**NAWMA's Uleybury Balefill and Renewable Energy Park is the first combined solar – landfill gas farm of its type in Australia and continues to generate power for the local community using over 11,000 solar panels and gas extracted from 18 vertical wells, and a network of horizontal wells in the active cell area.**

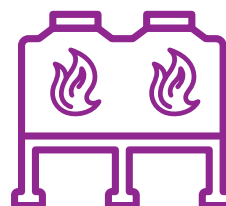
The following outlines the power generation and gas consumption during the 19/20 financial year:



**Over 1.7M kilowatt hours of power exported to the power network from solar panels**



**Over 7M kilowatt hours of power exported via the gas generation engine**



**Over 3.6M m3 of landfill gas used as energy to power the gas engine**

Following the removal of valuable resources from the waste stream, 66,000 tonnes were deposited to the Uleybury Balefill and Renewable Energy Park in 2019-2020.

Almost 58,000 of these tonnes were processed and baled at NAWMA's Edinburgh North Waste Processing Facility (WPF). The Waste Processing Facility bales the material and transports it to Uleybury, with over 200 bales transported on

average per day, in partnership with Diamond Brothers Transport.

The Balefill Management Consultative Committee (BMCC), chaired by Cr Paul Little (Town of Gawler), continues to meet bi-monthly or as required.

The Committee provides nearby residents, Council, the EPA and NAWMA the opportunity to discuss topics relating to the site and its operations.



Uleybury

# Balefill and Renewable Energy Park



66,000 tonnes  
of waste deposited in 2019-2020



58,000 tonnes  
were processed and baled at NAWMA's  
Edinburgh North Waste Processing Facility



200 bales  
transported every day to the Balefill



# Education and Community Engagement

**In 2019/20 NAWMA further established its connection to the local community by opening a redeveloped Education Centre at its Edinburgh headquarters. The modern adult-learning facility highlights NAWMA's role within the Circular Economy and showcases examples of innovative local businesses who are redefining waste. Interpretive material at the Centre also educates residents about their significant role in the Circular Economy through their purchasing and recycling behaviours.**

Prior to COVID-19 restrictions coming into place, several local community groups combined a visit to the Education Centre with the adjacent MRF to learn more, and see firsthand what happens after recyclables are collected at the kerbside.

Two videos were produced this year to reach out to residents via a different platform. The first had a corporate focus and gave an overview of all of NAWMA's operations and services. This video was translated into Mandarin and used to promote NAWMA during a trip attended by our Chief Executive Officer and Chief Operations Officer to City of Salisbury's Sister City Linyi, China.

The second video focussed specifically on household recycling and follows the journey of recyclables from the kerbside, through the MRF

to their eventual reuse. This was especially well received and has been used by various agencies and local governments in addition to NAWMA's Constituent and Client Councils.

With a good range of resources already in place, more detailed educational material was developed for specific purposes – these included fact sheets and infographics.

Facebook posts continued to give the community up-to-the-minute advice on NAWMA services and how to use them and were also key to our delivering timely messaging around service interruptions on extreme weather days. Engagement with the website continued to increase with monthly user sessions increasing by 50% between June 2019 and June 2020.



*NAWMA's Education and Projects Coordinator Penelope Morrison takes NAWMA Chair Brian Cunningham and NAWMA Board Director (and Town of Gawler Chief Executive Officer) Henry Inat through an interactive display in the redeveloped Education Centre.*

# Education and Community Engagement





# NAWMA's Customer Service

**The focus for the NAWMA Customer Service Team for the 2019/2020 year was to create a great customer experience by putting our residents first. We achieved this with professional, clear, and concise communication via our Call Centre, email and website platforms and face to face.**

To assist us in assessing our performance and to ensure we provide effective and efficient services, in FY20 we implemented feedback questionnaires at each touchpoint of the customer service experience. We began in April 2020 and at the end of the financial year had over 150 participants, which we will look to increase in the next financial year. The results received to date show that the vast majority of our Constituent Council residents are extremely happy with their customer service experience.

Our team also worked on some exciting technology to assist with consolidating our great customer experience focus. The first was a customer relationship management (CRM) like system which will enable us to tailor waste solutions based on the

needs of our residents. The system personalises a residents experience with NAWMA and will allow us to build a history for each household based on their interactions with us. This system has been in development for the entirety of the financial year and will be fully operational from 1 July 2020.

The second measure to be introduced will be an online chat function which will operate in conjunction with the NAWMA website. This opens another line of direct communication with our residents and enables them to have instant access to an experienced operator with an immediate response. This is a completely new concept for our Customer Service team at NAWMA and we look forward to implementing this in the last half of 2020.



Online Chat facility to launch late 2020 enabling residents instant access to Customer Service.

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Gawler





**NORTHERN ADELAIDE WASTE MANAGEMENT AUTHORITY**

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

**CERTIFICATION OF FINANCIAL STATEMENTS**

I have been authorised by Northern Adelaide Waste Management Authority to certify the financial statements in their final form.  
In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards*.
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2020 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.

  
.....  
Adam Faulkner  
Chief Executive Officer  
.....  
Brian Cunningham  
Chairperson

Date: 17 September 2020.





**STATEMENT OF COMPREHENSIVE INCOME**  
for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>INCOME</b>			
User charges	2	38,644	33,758
Investment income	2	210	209
Reimbursements		-	67
Other	2	4	-
<b>Total Income</b>		<b>38,858</b>	34,034
<b>EXPENSES</b>			
Employee costs	3	3,042	2,753
Materials, contracts & other expenses	3	33,754	29,756
Finance costs	3	529	351
Depreciation, amortisation & impairment	3	2,841	1,394
<b>Total Expenses</b>		<b>40,166</b>	34,254
<b>Operating Surplus / (Deficit)</b>		<b>(1,308)</b>	(220)
Asset disposal & fair value adjustments	3	(48)	(9)
Amounts received specifically for new/upgraded assets		1,525	233
<b>NET SURPLUS / (DEFICIT)</b>		<b>169</b>	4
<b>Other Comprehensive Income</b>			
Changes in revaluation surplus - property, plant & equipment		-	-
<b>Total Other Comprehensive Income</b>		<b>-</b>	-
<b>Total Comprehensive Income</b>		<b>169</b>	4

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



## STATEMENT OF FINANCIAL POSITION

for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	3,804	2,613
Trade & other receivables	4	3,848	3,172
Stock on Hand		25	64
<b>Total Current Assets</b>		<b>7,677</b>	5,849
<b>Non-current Assets</b>			
Property, Plant & Equipment	5	23,828	14,709
<b>Total Non-current Assets</b>		<b>23,828</b>	14,709
<b>Total Assets</b>		<b>31,505</b>	20,558
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	6	5,856	3,410
Provisions	6	255	191
Borrowings	6	2,522	1,186
<b>Total Current Liabilities</b>		<b>8,633</b>	4,787
<b>Non-Current Liabilities</b>			
Borrowings	6	12,446	6,318
Provisions	6	3,502	2,698
<b>Total Non-current Liabilities</b>		<b>15,948</b>	9,016
<b>Total Liabilities</b>		<b>24,581</b>	13,803
<b>Net Assets</b>		<b>6,924</b>	6,755
<b>EQUITY</b>			
Accumulated Surplus		6,264	6,095
Asset Revaluation Reserve		660	660
<b>Total Equity</b>		<b>6,924</b>	6,755

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



**STATEMENT OF CHANGES IN EQUITY**  
for the year ended 30 June 2020

	Accumulated Surplus	Asset Revaluation Reserve	Total Equity
	\$'000	\$'000	\$'000
<b>Balance at start of period - 1 July 2019</b>	<b>6,095</b>	<b>660</b>	<b>6,755</b>
Net Surplus/ (Deficit) for Year	169	-	69
<b>Balance at end of period - 30 June 2020</b>	<b>6,264</b>	<b>660</b>	<b>6,924</b>
 Balance at start of period - 1 July 2018	 6,091	 660	 6,751
Net Surplus/ (Deficit) for Year	4	-	4
Balance at end of period - 30 June 2019	6,095	660	6,755

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





**STATEMENT OF CASH FLOWS**  
for the year ended 30 June 2020

	Notes	2020 \$'000	2019 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating receipts from customers		37,972	33,342
Investment receipts		210	209
Operating payments to suppliers & employees		(34,807)	(31,429)
Finance payments		(504)	(351)
<b>Net Cash provided by (or used in) Operating Activities</b>	7	<b>2,871</b>	1,771
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Amounts specifically for new or upgraded assets		2,085	233
Maturity of Investments		-	1,018
Sale of surplus assets	3	15	-
Expenditure on renewal/replacement of assets		-	-
Expenditure on new/upgraded assets		(3,663)	(480)
<b>Net Cash provided by (or used in) Investing Activities</b>		<b>(1,563)</b>	771
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings		2,236	-
Repayments of Borrowings		(1,137)	(990)
Repayment of lease liabilities		(1,216)	-
<b>Net Cash provided by (or used in) Financing Activities</b>		<b>(117)</b>	(990)
<b>Net Increase (Decrease) in cash held</b>		<b>1,191</b>	1,552
Cash & cash equivalents at beginning of period	7	2,613	1,061
<b>Cash &amp; cash equivalents at end of period</b>	7	<b>3,804</b>	2,613

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



## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS** for the year ended 30 June 2020

### **Note 1 - SIGNIFICANT ACCOUNTING POLICIES**

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

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

##### **1.1 Compliance with Australian equivalents to International Financial Reporting Standards**

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

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

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of City of Salisbury, City of Playford and the Town of Gawler.

##### **1.2 Historical Cost Convention**

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

##### **1.3 Critical Accounting Estimates**

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

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

##### **1.4 Rounding**

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

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

Northern Adelaide Waste Management Authority operates as a regional subsidiary pursuant to Section 43 of the SA Local Government Act 1999 and Section 25 of the Local Government Implementation Act, and has its principal place of business at Woomera Avenue, Edinburgh Park SA 5111.

These financial statements have been prepared for use by the Constituent Councils of the Authority.

#### **3 Income Recognition**

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

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

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

Receivables are generally unsecured and do not bear interest.

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

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



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)

#### 5 Infrastructure, Property, Plant & Equipment

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

##### 5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition, including architects' fees and engineering design fees and all other costs incurred. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition.

The cost of non-current assets constructed by the Authority includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overhead.

Capital works still in progress at balance date are recognised as other non-current assets and transferred to infrastructure, property, plant & equipment when completed ready for use.

##### 5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life. No capitalisation threshold is applied to the acquisition of land or interests in land.

##### 5.3 Subsequent Recognition

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

##### 5.4 Depreciation of Non-Current Assets

Other than land, all infrastructure, property, plant and equipment assets recognised are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Plant, Furniture & Equipment	5 to 10 years
Buildings	30 years
Waste Facility	10 to 20 years
Landfill Construction	Amortised proportionately to rate of filling
Landfill Capping & Rehabilitation	Amortised proportionately to rate of filling

##### 5.5 Land Assets

As at 30 June 2018, an independent valuation was undertaken on all Land and Building assets held by the Authority. The independent valuation was undertaken by AssetVal Pty Ltd and valued land and building assets to the current market value.

Given the material value of Land and Building assets subsequent to the valuation performed, Land and Building assets are shown as a separate class of asset and disclosed accordingly in Note 5.





## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS** for the year ended 30 June 2020

### **Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)**

#### **5.6 Impairment**

Assets that have an indefinite useful life are not subject to depreciation and are reviewed annually for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

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

#### **6 Payables**

##### **6.1 Goods & Services**

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received.

Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

#### **7 Employee Benefits**

##### **7.1 Salaries, Wages & Compensated Absences**

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

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

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

##### **7.2 Superannuation**

The Authority makes employer superannuation contributions in respect of its employees to Statewide Super. The Scheme has two types of membership, each of which is funded differently.

###### **Accumulation Fund Members**

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

###### **Contributions to Other Superannuation Schemes**

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



## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS** for the year ended 30 June 2020

### **Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)**

#### **8 Rehabilitation**

Expenditures relating to ongoing rehabilitation and restoration reduce any provision previously established.

The Authority annually monitors the liability recorded for landfill rehabilitation and restoration estimates and make adjustments to the liability as required to ensure an accurate projected cost of the liability is showing in the balance sheet.

An independent assessment of the Authority's landfill capping and post closure rehabilitation obligations was undertaken by Golder Associates Pty Ltd as at 30 June 2020.

#### **9 Comparative Information**

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards. Comparative information has not been amended for any changes to accounting standards.

#### **10 Critical Accounting Estimates and Judgements**

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

#### **11 New Accounting Standards**

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

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

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

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





## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS** for the year ended 30 June 2020

### **Note 1 - SIGNIFICANT ACCOUNTING POLICIES (cont)**

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

	<b>\$'000</b>
<b>Assets</b>	
Property, Plant & Equipment	5,870
<b>Total Assets</b>	<b>5,870</b>
<b>Liabilities</b>	
Borrowings	5,870
<b>Total Liabilities</b>	<b>5,870</b>
<b>Accumulated Surplus</b>	<b>nil</b>

### **12 Stock on Hand**

The Authority records stock on hand as at reporting date to reflect the value of stockpiled recycled finished goods held. The value attributed to stock items is based on the expected sale price of goods held based on existing contract rates held with customers and/or public market rates, whichever is applicable.



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2020

**Note 2 - INCOME**

	Notes	2020 \$'000	2019 \$'000
<b>USER CHARGES</b>			
Waste Management Operations		38,644	33,758
		<b>38,644</b>	33,758
<b>INVESTMENT INCOME</b>			
Interest Income: Local Government Finance Authority		26	39
Rental income		184	170
		<b>210</b>	209
<b>OTHER INCOME</b>			
Sundry Income		-	-
Promotional Income		4	-
		<b>4</b>	-

**Note 3 - EXPENSES**

**EMPLOYEE COSTS**

Salaries and Wages	2,521	2,362
Employee leave expense	100	4
Superannuation	206	214
Workers' Compensation Insurance	62	31
Other	153	142
	<b>3,042</b>	2,753

**MATERIALS, CONTRACTS & OTHER EXPENSES**

Auditor's Remuneration		
Auditing the financial reports	25	18
Other Services	-	-
Bad and Doubtful Debts	1	-
Lease costs	59	1,378
Promotions	13	22
Bank Fees	36	33
Landfill Royalty	196	213
Contractors	23,948	18,535
Electricity	267	266
Environmental Protection Agency Levy	8,158	7,818
Fuels & Oils	187	281
Professional services	364	279
Waste Recycle Bins	-	360
Administration & Other Expenses	500	553
	<b>33,754</b>	29,756

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2020

**Note 3 - EXPENSES (cont)**

	Notes	2020 \$'000	2019 \$'000
<b>DEPRECIATION, AMORTISATION &amp; IMPAIRMENT</b>			
Waste Processing Facility		218	222
Uleybury Landfill Plant & Equipment		30	29
Education Program Plant & Equipment		1	1
Office Furniture & Equipment		40	28
Property & Improvements		17	15
Landfill Cell Stage Three		315	297
Landfill Capping Stage Three		131	119
Post Closure Rehabilitation		81	71
Buildings		144	130
Material Recovery Facility		519	482
Right-of-use-assets		1,345	-
		<b>2,841</b>	<b>1,394</b>
<b>FINANCE COSTS</b>			
Interest on Loans and Overdraft		336	351
Interest on Leases		193	-
		<b>529</b>	<b>351</b>
<b>ASSET DISPOSALS</b>			
Proceeds from disposal		15	-
Less: Carrying amount of assets sold		(63)	(9)
<b>Gain (Loss) on disposal</b>		<b>(48)</b>	<b>(9)</b>
<b>Note 4 - CURRENT ASSETS</b>			
<b>CASH &amp; CASH EQUIVALENTS</b>			
Cash on Hand and at Bank		2,786	1,552
Deposits at Call		1,018	1,061
		<b>3,804</b>	<b>2,613</b>
<b>TRADE &amp; OTHER RECEIVABLES</b>			
Debtors - general		3,668	3,025
Accrued Revenues		180	147
		<b>3,848</b>	<b>3,172</b>





**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2020

**Note 5 - PROPERTY, PLANT & EQUIPMENT**

	2019 \$'000				2020 \$'000			
	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT	AT FAIR VALUE	AT COST	ACCUM DEPN	CARRYING AMOUNT
Land	1,776	-	-	1,776	1,776	-	-	1,776
Waste Processing Facility	-	3,269	(1,597)	1,672	-	3,285	(1,852)	1,433
Uleybury Landfill Plant & Equipment	-	2,125	(1,994)	131	-	2,125	(2,024)	101
Education Program Plant & Equipment	-	34	(30)	4	-	34	(31)	3
Office Furniture & Equipment	-	177	(65)	112	-	199	(100)	99
Property & Improvements	-	1,605	(1,490)	115	-	1,605	(1,507)	98
Landfill Cell Stage Three	-	3,084	(1,137)	1,947	-	3,084	(1,451)	1,633
Landfill Capping Stage Three	-	1,050	(265)	785	-	1,116	(397)	719
Post Closure Rehabilitation	-	1,591	(1,125)	466	-	2,304	(1,207)	1,097
Buildings	3,285	247	(238)	3,294	3,285	1,491	(338)	4,438
Material Recovery Facility	-	5,178	(823)	4,355	-	7,475	(1,343)	6,132
Right-of-use-assets	-	-	-	-	-	7,581	(1,345)	6,236
WIP	-	52	-	52	-	63	-	63
	5,061	18,412	(8,764)	14,709	5,061	30,362	(11,595)	23,828



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2020

**Note 5 - PROPERTY, PLANT & EQUIPMENT (Cont)**

	2019 \$'000	Movement in Property, Plant & Equipment during the Financial Year						2020 \$'000
	CARRYING VALUE	ADDITIONS		Disposals	Revaluation	Adjustments	Depreciation	CARRYING VALUE
		Renewal/ Replacement	New/ Upgrade					
Land	1,776	-	-	-	-	-	-	1,776
Waste Processing Facility	1,672	16	-	(37)	-	-	(218)	1,433
Uleybury Landfill Plant & Equipment	131	-	-	-	-	-	(30)	101
Education Program Plant & Equipment	4	-	-	-	-	-	(1)	3
Office Furniture & Equipment	112	27	-	-	-	-	(40)	99
Property & Improvements	115	-	-	-	-	-	(17)	98
Landfill Cell Stage Three	1,947	-	-	-	-	1	(315)	1,633
Landfill Capping Stage Three	785	66	-	-	-	(1)	(131)	719
Post Closure Rehabilitation	466	713	-	-	-	(1)	(81)	1,097
Buildings	3,294	-	1,314	(26)	-	-	(144)	4,438
Material Recovery Facility	4,355	-	2,296	-	-	-	(519)	6,132
Right-of-use-assets	5,870	1,711	-	-	-	-	(1,345)	6,236
WIP	52	11	-	-	-	-	-	63
	20,579	2,544	3,610	(63)	-	(1)	(2,841)	23,828
2019	15,567	64	777	(9)	(296)	-	(1,394)	14,709



**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2020

**Note 6 - LIABILITIES**

	<b>2020</b>		<b>2019</b>	
	<b>\$'000</b>		<b>\$'000</b>	
Notes	<b>Current</b>	<b>Non-current</b>	Current	Non-current
<b>TRADE &amp; OTHER PAYABLES</b>				
Goods & Services	3,481	-	2,263	-
Accrued expenses - other	1,548	-	1,147	-
Amounts received in advance	827	-	-	-
	<b>5,856</b>	<b>-</b>	<b>3,410</b>	<b>-</b>
<b>BORROWINGS</b>				
Loans	1,056	7,547	1,186	6,318
Lease Liabilities	1,466	4,899	-	-
	<b>2,522</b>	<b>12,446</b>	<b>1,186</b>	<b>6,318</b>
<b>PROVISIONS</b>				
Annual Leave	198	-	147	-
Long Service Leave	57	99	44	74
Provision for Capping Stage 3A	-	1,116	-	1,050
Provision for Post Closure Site Rehabilitation	-	2,287	-	1,574
	<b>255</b>	<b>3,502</b>	<b>191</b>	<b>2,698</b>
<b>Movements in Provisions</b>				
	<b>Opening Balance</b>	<b>Additional Amounts Recognised/ (Derecognised)</b>	<b>Payments</b>	<b>Closing Balance</b>
<i>Provision for Capping Stage 3A</i>	<i>1,050</i>	<i>66</i>	<i>-</i>	<i>1,116</i>
<i>Post Closure Site Rehabilitation</i>	<i>1,574</i>	<i>713</i>	<i>-</i>	<i>2,287</i>
<b>Total</b>	<b>2,624</b>	<b>779</b>	<b>-</b>	<b>3,403</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 7 - RECONCILIATION TO CASH FLOW STATEMENT

#### (a) Reconciliation of Cash

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

	Notes	2020 \$'000	2019 \$'000
Total cash & equivalent assets	4	3,804	2,613
Less: Short-term borrowings		-	-
<b>Balances per Cash Flow Statement</b>		<b>3,804</b>	<b>2,613</b>

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

Net Surplus (Deficit)		169	4
Non-cash items in Income Statement			
Depreciation, amortisation & impairment	3	2,841	1,394
(Gain) / Loss on Disposal of Assets	3	48	9
Grants for capital acquisitions treated as Investing Activity		(2,085)	(233)
Bad Debts Expense	3	1	-
		<b>974</b>	<b>1,174</b>
Add (Less): Changes in Net Current Assets			
Net (increase) decrease in receivables		(676)	(483)
Net (increase) decrease in inventory		39	(15)
Net increase (decrease) in trade & other payables		2,446	1,139
Net increase (decrease) in other provisions		88	(44)
<b>Net Cash provided by (or used in) operations</b>		<b>2,871</b>	<b>1,771</b>

#### (c) Financing Arrangements

Credit Card Facilities	15	15
LGFA Cash Advance Debenture Facility	2,500	2,500



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 8 - FINANCIAL INSTRUMENTS

#### Recognised Financial Instruments

<b>Bank, Deposits at Call, Short Term Deposits</b>	<p><b>Accounting Policy:</b> Carried at lower of cost and net realisable value; Interest is recognised when earned.</p> <p><b>Terms &amp; conditions:</b> Deposits on Call do not have a maturity period and have an average interest rates of 0.4% (2019: 1%).</p> <p><b>Carrying amount:</b> approximates fair value due to the short term to maturity.</p>
<b>Receivables - Gate Fees &amp; Associated Charges</b>	<p><b>Accounting Policy:</b> Carried at nominal values less any allowance for doubtful debts. An allowance for doubtful debts is recognised (and re-assessed annually) when collection in full is no longer probable.</p> <p><b>Carrying amount:</b> approximates fair value (after deduction of any allowance).</p>
<b>Liabilities - Creditors and Accruals</b>	<p><b>Accounting Policy:</b> Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p><b>Terms &amp; conditions:</b> Liabilities are normally settled on 30 day terms.</p> <p><b>Carrying amount:</b> approximates fair value.</p>

#### Net Fair Value

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

#### Risk Exposure

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

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

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

**Interest Rate Risk** is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
for the year ended 30 June 2020

**Note 8 - FINANCIAL INSTRUMENTS (Cont)**

**2020**

	<i>Fixed interest maturing in</i>			Non-	
	<i>≤ year</i>	<i>&gt; 1 year</i>	<i>&gt; 5 years</i>	interest	Total
		<i>≤ 5 years</i>		bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000

**Financial Assets**

**Amortised Cost**

Cash Assets	7,472	-	-	-	7,472
Receivables	-	-	-	3,848	3,848
<b>Total</b>	<b>7,472</b>	<b>-</b>	<b>-</b>	<b>3,848</b>	<b>11,320</b>

**Financial Liabilities**

Payables	-	-	-	5,856	5,856
Borrowings	2,522	9,135	3,311	-	14,968
<b>Total</b>	<b>2,522</b>	<b>9,135</b>	<b>3,311</b>	<b>5,856</b>	<b>20,824</b>

**2019**

	<i>Fixed interest maturing in</i>			Non-	
	<i>≤ year</i>	<i>&gt; 1 year</i>	<i>&gt; 5 years</i>	interest	Total
		<i>≤ 5 years</i>		bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000

**Financial Assets**

**Amortised Cost**

Cash Assets	1,061	-	-	-	1,061
Receivables	-	-	-	3,172	3,172
<b>Total</b>	<b>1,061</b>	<b>-</b>	<b>-</b>	<b>3,172</b>	<b>4,233</b>

**Financial Liabilities**

Payables	-	-	-	3,410	3,410
Borrowings	1,186	4,977	1,341	-	7,504
<b>Total</b>	<b>1,186</b>	<b>4,977</b>	<b>1,341</b>	<b>3,410</b>	<b>10,914</b>





## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 9 - COMMITMENTS FOR EXPENDITURE

	Notes	2020 \$'000	2019 \$'000
<b>Expenditure Commitments</b>			
Other expenditure committed for (excluding inventories) at the reporting date but not recognised in the financial statements as liabilities:			
Audit Services		-	15
Waste Collection, Processing and Mobile Garbage Bin Supply Contracts		81,468	80,696
		<b>81,468</b>	<b>80,711</b>
These expenditures are payable:			
Not later than one year		18,976	14,049
Later than one year and not later than 5 years		62,492	56,136
Later than 5 years		-	10,526
		<b>81,468</b>	<b>80,711</b>

*The Authority manages multiple external contracts with external suppliers for the collection, processing and disposal of waste on behalf of its Constituent Councils and customers. The commitments disclosed above reflect a consolidation of multiple contracts entered into with external suppliers. In future years, all contracts will be required to be renewed with external suppliers in accordance with adopted procurement policies and procedures.*

### Note 10 - EVENTS OCCURRING AFTER REPORTING DATE

There were no events that occurred after reporting date that requires to be disclosed.

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 11 - LEASES

The Authority leases external operations facilities, waste processing plant & machinery and motor vehicles.

	<b>Buildings &amp; Other Structures \$'000</b>	<b>Plant &amp; Motor Vehicles \$'000</b>	<b>Total \$'000</b>
At 1 July 2019	5,701	169	5,870
Additions of right-of-use-assets	-	1,711	1,711
Depreciation Charge	(811)	(534)	(1,345)
<b>At 30 June 2020</b>	<b>4,890</b>	<b>1,346</b>	<b>6,236</b>

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

	<b>2020 \$'000</b>
<b>At 1 July 2019</b>	<b>5,870</b>
Additions	1,711
Accretion of interest	193
Payments	(1,409)
<b>At 30 June 2020</b>	<b>6,365</b>
<b>Current</b>	<b>1,466</b>
<b>Non-Current</b>	<b>4,899</b>

### Note 12 - DISCLOSURES OF RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other officers prescribed under Section 112 of the Local Government Act 1999 . In all, 6 persons were paid the following total compensation:

	<b>2020 \$'000</b>	<b>2019 \$'000</b>
Salaries, allowances & other short term benefits	751	803
Long term benefits	3	59
<b>TOTAL</b>	<b>754</b>	<b>862</b>



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 12 - DISCLOSURES OF RELATED PARTY TRANSACTIONS (Cont)

#### Transactions with Related Parties:

The following transactions occurred with Related Parties

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
City of Salisbury	15,699	1,550	Provision of waste collection, processing and disposal services
City of Playford	9,633	899	Provision of waste collection, processing and disposal services
Town of Gawler	2,555	240	Provision of waste collection, processing and disposal services

Amounts recorded as outstanding from Related Parties are recorded in Trade and other receivables in Note 4.

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

### Note 13 - CONTINGENCIES & ASSETS & LIABILITIES NOT RECOGNISED

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

#### 1. POTENTIAL INSURANCE LOSSES

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

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

#### 2. LEGAL EXPENSES

All known costs have been recognised.

#### 3. PERFORMANCE BONDS/GUARANTEES

The Authority has a performance bond/guarantee held with the Local Government Finance Authority to the Environment Protection Authority for an amount of \$1,350,000 in accordance with the requirements under its Post Closure remediation obligations for the Uleybury Landfill site.





## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 14 - FAIR VALUE MEASUREMENTS

The Authority measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Land assets
- Building assets
- Stock on Hand

The Authority does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

#### (a) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of *fair value information* according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

##### Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

##### Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

#### *Valuation techniques*

The Authority selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- Market approach: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- Income approach: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- Cost approach: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Authority gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2020

### Note 14 - FAIR VALUE MEASUREMENTS (Cont)

The following tables provide the fair values of the Authority's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Notes	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>2020</b>					
<b>(\$'000)</b>					
Recurring fair value measurements					
<b>Infrastructure, Property, Plant &amp; Equipment</b>					
- Land	5	-	1,776	-	1,776
- Buildings	5	-	3,285	-	3,285
- Stock on Hand		25	-	-	25
<b>Total financial assets recognised at fair value</b>		<b>25</b>	<b>5,061</b>	<b>-</b>	<b>5,086</b>

2019  
(\$'000)

Recurring fair value measurements

#### Infrastructure, Property, Plant & Equipment

- Land	5	-	1,776	-	1,776
- Buildings	5	-	3,285	-	3,285
- Stock on Hand		64	-	-	64
Total financial assets recognised at fair value		64	5,061	-	5,125

### (b) Disclosed fair value measurements

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation technique(s) and inputs used.

	Fair Value Hierarchy Level	Valuation Technique	Inputs Used
There has been no change in the techniques used to measure the value of items disclosed in the financial statements.	1	Market	Based on expected sale price of goods based on existing contract prices.
There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.	2	Market Value	Observable sales of similar properties – both vacant land and land with improvements.



**ANNUAL FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2020**  
**CERTIFICATION OF AUDITOR INDEPENDENCE**

To the best of our knowledge and belief, we confirm that, for the purpose of the audit of Northern Adelaide Waste Management Authority for the year ended 30 June 2020, the Authority's Auditor, HLB Mann Judd, has maintained its independence in accordance with the requirements of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

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

Adam Faulkner

Chief Executive Officer

Mark Labaz

Chairperson – Audit Committee

22/09/2020

Date:



**The updated NAWMA website has proven to be an invaluable resource for residents providing up-to-date information on all of NAWMA's operations and services as well as a range of options for booking services online.**





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