

CONFIDENTIAL ITEMS 2003 – MAY 2017

#	Date	Item Title	Confidential Order Details	Item being kept confidential - Agenda/ Attachment/ Minutes	Reason regarding retention or recommendation to release	Resolution Regarding Action	Last Review Date	Next Review Date	Date Released
115	1 May 2017	Adelaide Hills Region Waste Management Authority	<p>Section 90 (3) (h) Order</p> <p>1. <u>Pursuant to Section 90(3)(h)</u> Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except (the Chief Executive Officer, Deputy Chief Executive Officer/General Manager, Infrastructure & Projects, General Manager, Planning & Development, General Manager, Corporate Services and General Manager, Council Services, Risk and Governance Officer, Minutes Secretary and Executive Officer of the Adelaide Hills Region Waste Management Authority) be excluded from attendance at the meeting for Agenda Item 17.1 (Adelaide Hills Region Waste Management Authority).</p> <p>The Council is satisfied that pursuant to Section 90(3)(h) of the Act, the information to be received, discussed or considered in relation to this Agenda item is information relating to legal advice, which will be discussed in detail with council members.</p> <p>The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because a Council decision has not yet been made in relation to the advice and its subject matter.</p> <p><u>Pursuant to Section 91(7)</u></p> <p>4. That having considered Agenda Item (Adelaide Hills Region Waste Management Authority) in</p>	That the discussion, report, attachments and all minutes (with the exception of recommendation 3 b) and the attached Annual Business Plan) be retained in confidence (until the action by Southern Waste ResourceCo against the Adelaide Hills Region Waste Management Authority is determined and any subsequent appeal process has also concluded, or the matter is settled by the parties through a commercial agreement, or such lesser period as may be determined by the Chief Executive Officer	<p>The Council is satisfied that pursuant to Section 90(3)(h) of the Act, the information to be received, discussed or considered in relation to this Agenda item is information relating to legal advice, which will be discussed in detail with council members.</p> <p>The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because a Council decision has not yet been made in relation to the advice and its subject matter.</p>	Until the action by Southern Waste ResourceCo against the Adelaide Hills Region Waste Management Authority is determined and any subsequent appeal process has also concluded, or the matter is settled by the parties through a commercial agreement, or such lesser period as may be determined by the Chief Executive Officer and that this order be reviewed every 12 months.		Sept 17	<i>Recommendation 3 b) and Draft Annual Business Plan released 5 May 2017</i>

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			<p>confidence under 90(2) and 3(h) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the discussion, report, attachments and all minutes (with the exception of recommendation 3 b) and the attached Annual Business Plan) be retained in confidence (until the action by Southern Waste ResourceCo against the Adelaide Hills Region Waste Management Authority is determined and any subsequent appeal process has also concluded, or the matter is settled by the parties through a commercial agreement, or such lesser period as may be determined by the Chief Executive Officer and that this order be reviewed every 12 months.</p>	<p>and that this order be reviewed every 12 months.</p>					

RELEASED

17. CONFIDENTIAL REPORTS

17.1	REPORT TITLE:	CONFIDENTIAL ITEM: ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY
	DATE OF MEETING:	1 MAY 2017
	FILE NUMBER:	17/35627
	ATTACHMENTS:	1. LEGAL ADVICE REGARDING SUPREME COURT CASE 2. COUNCIL LETTER TO THE AHRWMA (DOC/ 17/36700) 3. PROPOSED AHRWMA BUSINESS PLAN AND BUDGET 2017/18 (DOC/17/38696)

3. Advises the Authority by letter that:

b) the proposed budget and business plan for the Authority for 2017/18 is noted and that prior to Council being in a position to consider approval of the Authority budget and business plan further information is required by Council in particular:

- What amount is proposed to be borrowed for capital expenditure and if that exceeds \$500,000, a proposal is required as per clause 1.6.2 of the Authority Charter, taking into account that the cash flow from financing activities has proceeds from borrowings of \$1.1Million;
- As approval of the constituent Councils is required for an acquisition exceeding \$250,000 and the estimated cost of the replacement excavator is \$720,000 how will this purchase be funded; and
- As required by the Local Government Act, a set of performance measures (financial and non-financial) that are to be used to monitor and assess actual performance against performance targets.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

DRAFT ANNUAL BUSINESS PLAN AND BUDGET 2017-2018

CONSTITUENT COUNCILS:

ADELAIDE HILLS COUNCIL



MOUNT BARKER DISTRICT COUNCIL



MOUNT BARKER
DISTRICT COUNCIL

ALEXANDRINA COUNCIL



RURAL CITY OF MURRAY BRIDGE



The Rural City of
MURRAY
BRIDGE



AHRWMA

"Sustainable Waste Management Through Shared Services"

1 Introduction

The independently-resourced Authority will continue to evaluate all waste and recycling services throughout the region and determine where it can add value to Member Councils by applying a resource sharing model.

We will continue to develop our resource recovery operations where economically viable with a particular focus on our construction and demolition resource recovery.

The Authority has been assessing the benefit and value that it adds to its Member Councils in the context of a changing environment.

This Business Plan sets out the specific actions and performance measures to achieve the objectives of the 10 Year Strategic Plan - *“Sustainable Waste Management through Shared Services for the communities of Adelaide Hills, Alexandrina, Mt Barker and Murray Bridge”*.

Vision

“Sustainable Waste Management through Shared Services for the communities of Adelaide Hills, Alexandrina, Mt Barker and Murray Bridge”.

Mission

- *To meet the Zero Waste SA Resource Recovery Targets across the region where economically and environmentally justified.*
- *To continue to develop and manage the Authority’s landfill as an EPA compliant model regional landfill that provides the most cost effective disposal option for Member Councils and commercial customers.*
- *To educate the regional community on responsible waste choices that enhance and maintain their environment.*

Objectives

The Authority’s vision and mission will be achieved through five key objectives:

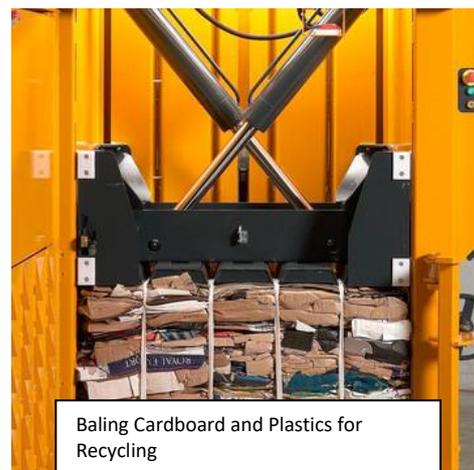
1. To take a leadership role in resource recovery and community education.
2. Responsibly develop and manage the Authority’s landfill to be a model regional landfill meeting all legislative requirements and operating benchmarks.
3. Financial sustainability in waste services for Member Councils by pursuing a shared services model.
4. Advocate, research and promote best practice waste management and actively represent Member Councils in all forums.
5. **A fully compliant Regional Subsidiary that meets the highest standards in governance, financial and human resource management.**

2 Outline of Activities for the Year to June 2018

The Authority will;

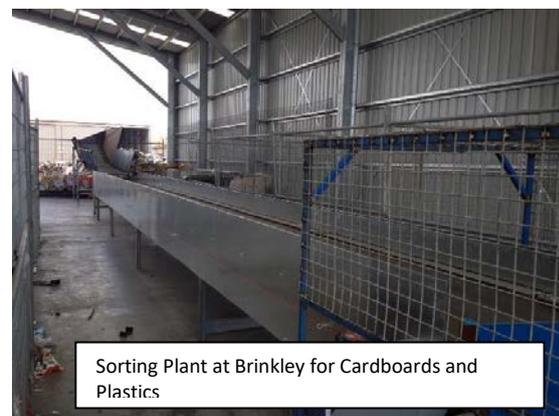
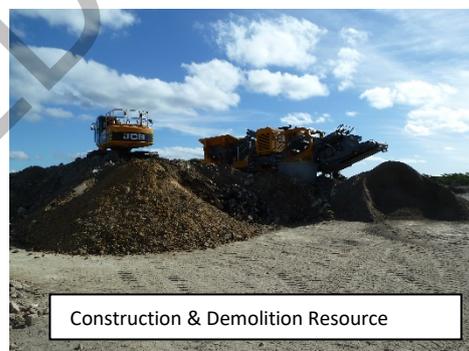
High Priority Targets

- 2.1 Resolve the SWR Claim.
- 2.2 Act on agreed recommendations from the recently completed governance review.
- 2.3 Engage with surrounding Authority's and Councils to explore collaboration opportunities that may exist.
- 2.4 Complete construction of Brinkley Cell 8 and have construction quality assurance plan approved.
- 2.5 Engage an additional resource to assist the Waste Strategy Coordinator subject to Member Council support.
- 2.6 Revise the current 10 Year Strategic Plan.
- 2.7 Complete the Review of the Authority's Charter.



Business as Usual Targets

- 2.8 Continue to explore options to coordinate Member Council waste services where cost savings can be identified and progressively implement approved shared services across Member Councils.
- 2.9 Complete and implement waste management strategies across Member Councils seeking to maximise the potential regional benefits to member councils flowing from their waste management strategies
- 2.10 Increase Resource Recovery activities where economically viable at Authority managed facilities at Brinkley and Heathfield. This includes expanding the resource recovery of Construction and Demolition materials and increased steel recovery from commercial loads. Further, it will also continue to focus on recovering cardboards and plastics utilising both fixed and mobile baling plants and our mobile crusher all part funded by Zerowaste SA.
- 2.11 Further develop waste and recycling education programs across the region.
- 2.12 Design the final Brinkley landform, including capping design and approval for Cell 6 & 7 (currently in use), Cell 8 (undergoing construction) and the future Cell 9.
- 2.13 Plan for identified required buffer zones for future cell expansions.



- 2.14 Continue to market and expand the Hooklift Truck collection network within the region in order to improve economies of scale.
- 2.15 Continue to advocate for research and promote best practice waste management and actively represent Member Councils in all forums.



Facilities at the Brinkley Landfill and Transfer

3 Action Plan 2017/18

The following action plan sets out the strategies and actions for the 2017/18 year. It provides a brief rationale for the action, the responsible person, the targeted completion date and the performance measure.

High Priority Actions requiring a key focus are shown in Bold

<i>Objective</i>	<i>Strategy</i>	<i>Action</i>	<i>Rationale</i>	<i>Target Date</i>	<i>Primary Responsibility</i>	<i>Measurable Outcomes</i>
1. Ensure financial sustainability in waste services for Member Councils by pursuing a shared services model.	1.1 Coordination & rationalisation of Member Council waste collection services & infrastructure.	1.1.1 Progressively implement approved shared services across Member Councils.	The information gathered regarding existing collection systems & waste transfer station operations can now be rationalised & where cost effective coordinated/managed by the Authority. Member Council support will be required for this initiative.	Ongoing	Executive Officer	Consolidation & rationalisation of waste services & facilities commenced.
		1.1.2 Market and expand hooklift operation in region.	The Authority will look to market and expand the hooklift operation to other Member Councils where benefit can be demonstrated. This will improve economies of scale and further reduce the cost of the service.	Ongoing	Executive Officer	Reduced cost & better outcomes for transfer station operations.
		1.1.3 Complete and implement waste management strategies across Member Councils seeking to maximise the potential regional benefits to Member Councils flowing from their waste management strategies	By identifying key areas within Council waste management plans where benefits can arise by working collaboratively or sharing services then improved services or cost savings should be achievable.	Jun 17 & Ongoing	Waste Strategy Coordinator	Improved services and cost savings.
		1.1.4 Continue to Engage	As above	Jun 18	Executive	Improved

Objective	Strategy	Action	Rationale	Target Date	Primary Responsibility	Measurable Outcomes
		<p><i>with surrounding Authority's and Councils to explore collaboration opportunities that may exist</i></p> <p>1.1.5 Engage additional resource to assist Waste Strategy Coordinator (subject to Member Council Support)</p>	By providing an additional resource to undertake general waste and recycling management activities the Waste Strategy Coordinator will be able to focus on achieving strategic goals.	Jul 18	Officer Executive Officer/Waste Strategy Coordinator	services and cost savings. Additional resource engaged and improved outcomes for Member Councils
2. To take a leadership role in resource recovery & community education.	2.1 Coordination of education across the region.	2.1.1 Waste Management Officer to implement education programs across the region in conjunction with roll out of new waste & recycling collection services.	As resources become available the education program can be implemented in participating Member Council areas.	Ongoing	Waste Strategy Coordinator	Education programs implemented.
	2.2 Resource recovery targets for the region.	2.2.1 Monitor performance of resource recovery for Member Councils and the region.	The performance targets agreed to last year need to be monitored & reported against. Strategies can then be developed to improve overall performance.	Ongoing	Waste Strategy Coordinator	Report to Board & Member Councils.
	2.3 Expand Resource Recovery activities at Authority managed facilities.	2.3.1 Where economically viable resource recovery should be expanded at the Brinkley & Heathfield Waste and Recycling Centres	The help achieve Zero Waste targets and improve our financial position there are resource recovery activities that can be expanded including processing Construction and Demolition materials and recovering additional steel from some commercial loads. In addition cardboard and plastics recovery will be increased.	Ongoing	Executive Officer	Increased diversion of material and improved financial position.

Objective	Strategy	Action	Rationale	Target Date	Primary Responsibility	Measurable Outcomes
		2.3.2 Apply for further grants to improve infrastructure and resource recovery.	Grants will assist to make additional resource recovery viable at landfill and resource recovery/transfer station sites.	Ongoing	Executive Officer	Increased diversion of material and improved financial position.
3. Responsibly develop and manage Authority run landfills and transfer resource recovery centres to be model regional sites meeting all legislative requirements and operating benchmarks.	3.1 Explore new markets, particularly with high resource recovery potential, to increase throughput of all sites.	3.1.1 Implement & review marketing plan.	Develop new marketing plan to take into account relocation of landfill operations and new market place.	Sep 17	Executive Officer	Sales target in marketing plan met.
		3.1.2 Revise the current 10 Year Strategic Plan	The Strategic Plan should reflect the current environment and future directions.	Nov 17	Executive Officer	New plan developed by Board and adopted by Member Councils
	3.2 Achieve the operating benchmarks for landfill and transfer operations.	3.2.1 Monitor, report & manage the operation of landfill and transfer sites.	As the preferred operational model is in place a management system should be established to ensure all performance benchmarks are being met. This information can then be reported regularly to the Board in operational & financial reports.	Ongoing	Executive Officer	Benchmarks met & Board kept fully informed.
3.2.2 Develop site specific 3 year Business Plans for Brinkley and Heathfield Transfer Stations.		To assist future development and achievement of goals site specific business plans should be developed.	Sep17	Executive Officer	Business Plans presented to Board and Approved by appropriate Member Councils.	

Objective	Strategy	Action	Rationale	Target Date	Primary Responsibility	Measurable Outcomes
	3.3 Control of risks.	3.3.1 Implement the recommended improvements resulting from the Internal Financial Controls process undertaken by UHY Haynes Norton. Whilst the High risk area recommendations have now been addressed lower risk areas should be pursued	Financial internal controls will not remove all risk but are a means of managing risk and reducing the likelihood and consequence of adverse events. A sound system of financial internal control is essential for the Authority to ensure that its resources are allocated in the most appropriate manner, operational and financial objectives are being met and facilitate compliance with the accountability provisions of the Local Government Act.	Nov 17	Executive Officer/LGMLS	Remaining risk areas to be addressed by Nov 16
	3.4 Plan & maintain sufficient air-space for landfill operations.	3.4.1 Progressively cap completed areas of landfill sites.	The management plan and EPA licence require the capping of completed cells.	Ongoing	Executive Officer/Consultants	EPA approval of capped cells and historic cells.
3.4.2 Construct and obtain approval for Cell 8 and future landform for Cells 6-9.		This will provide adequate space for immediate future requirements whilst a final landform is designed and approval is sought.	Dec 17	Executive Officer Consultant	EPA approval of Cell 8 and future landform for Cells 6-9.	
3.4.3 Future cell areas to be identified.		Future cell areas need to be identified so that required buffer zones can be secured.	Dec 17	Executive Officer	Plan identifying land required for buffer zones and strategy to secure.	
4. Advocate, research and promote best practice waste management and actively represent Member	4.1 Maintain & enhance the profile of the Authority.	4.1.1 Maintain the advocacy & advisory role for the Authority.	The Authority must provide advice on waste matters to its Member Councils & monitoring trends & policies in Local Government waste management.	Ongoing	Executive Officer	Member Councils awareness.
		4.1.2 Update website & provide quarterly newsletter for Elected Members.	The Authority to establish itself as a credible Regional Waste Authority reflecting the views of its Member Councils.	Ongoing	Executive Officer	Website updated & quarterly newsletters distributed.

Objective	Strategy	Action	Rationale	Target Date	Primary Responsibility	Measurable Outcomes
Councils in all forums.		4.1.3 Liaise with neighbouring regional groups, neighbouring Councils, State & Local Government on all issues involving the Authority & its Member Councils.	As above.	Ongoing	Executive Officer	The Authority professionally represented.
5. A fully compliant Regional Subsidiary that meets the highest standards in governance, financial & human resource management.	5.1 To have a compliant Regional Subsidiary meeting the highest professional standards.	5.1.1 Complete Review of Authority's Charter.	The Authority's Charter needs to take into account legislative changes and changes to the environment in which it operates. The Charter also should enable the pursuit of opportunities that are complimentary to the Authority's activities and objectives.	Oct 17	Executive Officer	Reviewed Charter agreed to and approved by Member Councils.
		5.1.2 Resolve SWR Claim	Resources should be freed up to focus on core activities	Nov 17	Executive Officer	Claim dismissed
		5.1.3 Monitor & report on meeting the requirements of the Local Government Act & the Charter.	The accountability & financial sustainability requirements for Local Government require constant review to ensure compliance.	Ongoing	Executive Officer	Compliant Authority.
		5.1.4 Adhere to the policies, procedures, delegations for the Authority.	As above.	Ongoing	Executive Officer	Compliant Authority.
		5.1.5 Human resource management: <ul style="list-style-type: none"> • WH&S Policies in place & adhered to. • Staff performance & appraisal system in 	As above.	Ongoing	Executive Officer	Compliant Authority.

<i>Objective</i>	<i>Strategy</i>	<i>Action</i>	<i>Rationale</i>	<i>Target Date</i>	<i>Primary Responsibility</i>	<i>Measurable Outcomes</i>
		place & completed where appropriate.				
		5.1.6 Act on agreed recommendations when the governance review currently underway is completed.	Ensure compliance and minimise risk.	Mar 18	Executive Officer	Compliant Authority.

RELEASED

Budget 2017/2018 – Underlying Assumptions

- CPI as per 'Access Economics, December 2016' (1.9%).
- Landfill gate fees including member Council fees increased by CPI.
- Tonnages reviewed according to recent trends.
- Labour Price Index.
 - White collar salaries 2.5% increase for 2017/18. EB to be renegotiated 2017/18.
 - Blue collar salaries 2.5 % increase.
 - Future year increments as per LPI in 'Access Economics, Dec 2016'.(1.9%)
 - Superannuation frozen at 9.5% until 2021. Increases to 10% in 2022 and increases half a percent until 12% reached.
- EPA Levy for 17/18 – Metro \$87.00 & Rural \$43.50.
- Interest on CAD facility at 3.75% as per LGFA circular.
- Capital Expenditure
 - Commence Cell 8 build liner \$305K.
 - Replace vehicle \$45k.
 - Replace Landfill Compactor \$720,000
- ABNORMAL ITEMS
 - Legal fees \$400K.

RELEASED

Draft budget 2017/18

INCOME STATEMENT	Forecast 16/17 @ BR 3 (FEB)	Draft Budget 2017/18
Income		
Landfill Income	2,846,470	3,086,438
Transfer Station Income	1,354,181	1,396,789
Other Income	597,985	534,360
Bank Interest		
Total Income	4,798,636	5,017,587
Expenses		
Employee Costs	851,603	936,447
Administration (*includes extraordinary legal \$400k)	704,173	868,870
Interest on Loans	24,242	61,875
R&D	-	-
Operations	3,484,134	1,289,012
EPA Waste Levy		1,724,790
Brinkley Lease Payment		48,000
Rehab & Capping Inflation Expense		
Depreciation/Amortisation	627,866	622,524
Total Expenses	5,692,018	5,551,518
Gain/(Loss Disposal)	(7,903)	(1,955)
Amounts Received specifically for new or upgraded assets		
Net Profit / (Loss)	(901,285)	(535,886)
CASH FLOW STATEMENT		
<u>Cash Flow from Operating Activities</u>		
Receipts		
Operating receipts	4,798,636	5,017,587
Investment receipts	-	-
Payments		
Operating payments to suppliers & employees	(5,039,911)	(4,867,119)
Finance payments	(24,242)	(61,875)
Dividend Payment		
Brinkley Capping Costs		(150,000)
Net cash provided by (or used in) Operating Activi	(265,517)	(61,407)

	Forecast 16/17 @ BR 3 (FEB)	Draft Budget 2017/18
Cash Flow from Investing Activities		
Receipts		
Grants new or upgraded assets		
Sale of replaced assets	28,000	87,000
Payments		
 Expenditure on renewal/replacement of assets		
Vehicle	(40,500)	(15,000)
IT Equipment	(4,000)	-
General Plant		
Excavator		
Landfill Compactor		(720,000)
Loader		
Water Truck		
Hook Truck, Bins	(300,000)	
Backhoes (for HTS)		
Backhoes (for BTS)		
Dump Truck		
Water Cart		
 Expenditure on new/upgraded assets		
Leachate Pond		
Brinkley Cell 6		
Brinkley Cell 8		(305,000)
Brinkley Cell 9		
Brinkley Upgrade, Roadworks, F&F, Buildings		
Net cash provided by (or used in) Investing Activit	(316,500)	(953,000)

	Forecast 16/17 @ BR 3 (FEB)	Draft Budget 2017/18
Cash Flow from Financing Activities		
Receipts		
Proceeds from Borrowings	350,000	1,100,000
Payments		
Repayments of Borrowings		
Repayment Other		
Net cash provided by (or used in) Financing Activities	350,000	1,100,000
Net Increase (Decrease) in cash held	(232,017)	85,593
Cash & cash equivalents at beginning of period	236,715	4,698
Cash & cash equivalents at end of period	4,698	90,291
BALANCE SHEET		
Assets		
Cash at bank	4,698	90,291
Site & Equipment-AHRWMA (Carrying Amount)	2,703,983	3,494,292
Other Assets	442,928	425,640
	3,151,609	4,010,224
Liabilities		
Other Liabilities	831,850	831,850
Contingent Liabilities - Capping & Post closure		
Landfill Rehabilitation	427,400	429,000
Brinkley Capping 6	410,880	260,880
Brinkley Capping 8		442,900
Brinkley Capping 9	-	-
Loan	550,000	1,650,000
	2,220,130	3,614,630
Nett Assets	931,479	395,594
Equity		
Retained profit/loss	931,479	395,593