



**EASTERN WASTE MANAGEMENT AUTHORITY
AUDIT & RISK MANAGEMENT COMMITTEE MEETING**

FRIDAY 24 APRIL 2020

Notice is hereby given that a meeting of the Audit and Risk Management Committee of the Eastern Waste Management Authority will be held via Zoom, on Friday 24 April 2020 commencing at 8:30am.

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

**ROB GREGORY
GENERAL MANAGER**



EASTERN WASTE MANAGEMENT AUTHORITY

AGENDA

AUDIT AND RISK MANAGEMENT COMMITTEE

Meeting to be held on Friday 24 April 2020, commencing at 8:30am, via Zoom

- 1. PRESENT**
- 2. APOLOGIES**
- 3. CONFLICTS OF INTEREST**
- 4. CONFIRMATION OF THE MINUTES:**
 - 4.1 MEETING HELD 11 FEBRUARY 2020**
- 5. MATTERS ARISING FROM THE MINUTES**
- 6. QUESTIONS WITHOUT NOTICE**
- 7. REPORTS**
 - 7.1 FINANCIAL REPORT - BUDGET REVIEW THREE pg. 3.**
 - 7.2 REVIEW OF EAST WASTE CHARTER..... pg. 10**
 - 7.3 REVIEW OF EAST WASTE BUSINESS CONTINUITY PLANpg. 27.**
- 8. CONFIDENTIAL REPORTS**

NIL
- 9. OTHER BUSINESS**
- 10. NEXT MEETING OF THE AUDIT COMMITTEE**

The next Audit and Risk Management Committee Meeting is to be held on Wednesday 17 June, 2020, commencing 8:30am, at the Mayor's Parlour, City of Norwood Payneham & St Peters, 175 The Parade, Norwood
- 11. CLOSURE OF MEETING**



**MINUTES OF THE MEETING OF THE AUDIT & RISK MANAGEMENT COMMITTEE
OF THE EASTERN WASTE MANAGEMENT AUTHORITY**

held on Tuesday 11 February 2020 at the Mayor's Parlour, City of Norwood, Payneham & St Peters, 175 The Parade, Norwood

Meeting opened at 8:31am.

1. PRESENT

Mr F Bell	Independent Chairperson
Mr T Muhlhausler	Independent Member
Ms S Di Blasio	Independent Member
Mr M Barone	Committee Member

IN ATTENDANCE

Mr R Gregory	General Manager
Mr S Raymond	Manager, Corporate Services
Mr Jovicevic	Dean Newbery & Partners
Miss K Vandermoer	Finance & Executive Administration Officer

2. APOLOGIES

Cr L Green	Committee Member
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3. CONFLICTS OF INTEREST

Nil

4. CONFIRMATION OF THE MINUTES – 19 NOVEMBER 2019

Moved Mr Muhlhausler that the Minutes of the previous meeting held on Tuesday 19 November 2019 be received and noted.

Seconded Mr Barone

Carried

5. MATTERS ARISING FROM THE MINUTES

Nil

6. QUESTIONS WITHOUT NOTICE

Nil

7. STAFF REPORTS

7.1 FINANCIAL REPORT – BUDGET REVIEW TWO

RECOMMENDATION

Moved Mr Muhlhausler that the Committee notes and accepts the operating surplus of \$323,100 associated with the 2019/20 Budget Review Two and recommends to the Board for endorsement.

Seconded Ms Di Blasio

Carried

7.2 DRAFT 2020/21 ANNUAL PLAN & BUDGET

RECOMMENDATION

Moved Mr Muhlhausler that the Committee recommends the draft 2020/21 East Waste Annual Plan & draft Budget is presented to the Board for consideration.

Seconded Mr Barone

Carried

7.3 TREASURY MANAGEMENT PERFORMANCE REPORT

RECOMMENDATION

Moved Mr Barone that the Committee recommend that the Performance Report as presented in Attachment B is endorsed and forwarded to the East Waste Board.

Seconded Mr Muhlhausler

Carried

7.4 2019 RISK EVALUATION SUMMARY & ACTION PLAN

RECOMMENDATION

Moved Mr Barone that the Committee:

1. Receive and note the findings of the Local Government Association Worker's Compensation Scheme 2019 Risk Evaluation as presented in Attachment A.
2. Note and support the Action Plan(s) to address outstanding conformance matters identified in the 2019 Risk Evaluation.

Seconded Ms Di Blasio

Carried

9. OTHER BUSINESS

Mr Gregory proposed to reschedule all 2020 East Waste Audit & Risk Management Committee Meetings to be held on a Wednesday, to accommodate all Members. The Committee agreed to push all 2020 meeting dates forward one day, to fall on a Wednesday.

10. NEXT MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The next Audit and Risk Management Committee Meeting is scheduled to be held on Wednesday 22 April 2020, at the City of Norwood, Payneham, & St Peters, 175 The Parade, Norwood.

11. CLOSURE OF MEETING

There being no other business the meeting closed at 9:08am.

PRESIDING MEMBER

DATE

7.1: FINANCIAL REPORT – BUDGET REVIEW THREE

REPORT AUTHOR:	General Manager
ATTACHMENTS:	A: Budgeted Statement of Comprehensive Income FY2020
	B: Budgeted Balance Sheet as at 30 June 2020
	C: Budgeted Statement of Cash Flow FY2020
	D: Budgeted Statement of Changes in Equity FY2020
	E: Budgeted Uniform Presentation of Finances Statement FY2020
	F: Cash Flow Forecast <i>(to be issued under separate cover)</i>

Purpose of the Report

To provide the Committee with an opportunity to review the third review undertaken of the budgeted statutory Financial Statements (Budget Review Three) for the financial year ending 30 June 2020 as prescribed by the Regulations.

Background

At the meeting held 20 June 2019, the East Waste Board resolved (in part):

DRAFT 2019/20 ANNUAL BUSINESS PLAN & BUDGET

Moved Mr Bradley that the Board:

- 1. Endorses the draft 2019/20 Annual Business Plan and Budget as presented in Attachment A.*

Seconded Cr Green

Carried

Report

Budget Review Three is forecasting a revised FY2020 Operating Surplus of \$235,748 which is a \$69,500 increase on the FY2020 Adopted Budget (budget movement compared to the adopted FY2020 Budget Review 1). Included within the result is the return of the 2018/19 Operating Surplus of \$136,000 to the Member Councils via a rebate on fourth quarter invoicing. Other key financial risks and material budget items continue to be closely monitored and tracked by the Administration.

The reasoning associated with the bulk of this Operating Surplus was detailed in Budget Review Two and the Committee is referred to these papers in the first instance should further background be required. With the end of financial year in sight, the Administration have undertaken several other budget movements in order to provide a more reflective end of year result.

Table 1 summarises the year to date performance as at 31 March 2020 against full year budget for key risks and material budget items.

Table 1: Key Budget Item Year to Date

Item	YTD Actuals (as at 31/12/2019)	Proposed Budget Variation	Notes
Recycling Processing Fee & Income	\$1.672M	\$-	No variation required, however notification of the April 2020 – June 2020 processing fee, scheduled to be received post development of this report may see the figure amended for the April 2020 Board meeting. Any movement in processing fees will be directly offset by Member Council income recovered, resulting no impact on the financial performance for East Waste.
Green Organics Processing Income	\$0.902	\$0.120M	Typical cyclic downturn has not materialised due to increased time the community are spending at home. Higher volumes are expected to continue for the remainder of the financial year. Any movement in processing fees will be directly offset by Member Council in income recovered, resulting in no impact on the financial performance for East Waste.
Hard Refuse Disposal & Income	\$0.587M	\$0.120M	Variation associated with increase in bookings. Typical cyclic downturn has not materialised due to increased time community are spending at home. High volume expected to continue for remainder of financial year. Any movement in processing fees will be directly offset by Member Council in income recovered, resulting in no impact on the financial performance for East Waste.
Fuel, Gas & Oil	\$1.021M	\$-	A favourable result appears likely, however no variations made at this stage due to the volatility of the fuel market.
Wages & Salaries (incl. Casual Staff)	\$3.947M	\$-	Total Wages and Salaries, remains on budget, albeit the typical low fourth quarter expenditure is not likely materialise due to increased time community are spending at home.

Forecast Cash Reserves

Budget Review Three is now forecasting East Waste to have a \$0.204M increase in cash on hand compared to the start of the financial year and a closing balance of \$2.16M. East Waste's cash reserves remain appropriate and healthy for the remainder of the financial year (refer Attachment F – *to be issued under separate cover*). As per previous years, this figure is expected to draw down significantly in July 2020, prior to first quarter payments being received from Member Councils.

Should the forecasted operating surplus materialise at the end of the 2019/20 financial year, this will increase the cash on hand further and all things being equal, to a level greater than is required for operational requirements. In light of the current economic conditions, discussion on the management of this and the timing will occur at the meeting.

RECOMMENDATION

The Committee notes and accepts the operating surplus of \$235,748 associated with the 2019/20 Budget Review Three and recommends to the Board for endorsement.

EAST WASTE**PROJECTED STATEMENT OF COMPREHENSIVE INCOME (BUDGET)**
for the Financial Year Ending 30 June 2020

FY 2019		FY 2020	FY2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Adopted Budget (BR2)	Proposed Budget (BR3)
\$'000		\$'000	\$'000	\$'000	\$'000
	INCOME				
15,440	User Charges	15,576	16,010	16,489	16,709
32	Investment income	30	30	20	13
38	Grants, subsidies and contributions	-	-	-	-
684	Other	676	676	681	681
16,194	TOTAL INCOME	16,282	16,716	17,190	17,403
	EXPENSES				
5,580	Employee Costs	5,545	5,545	5,545	5,545
8,229	Materials, contracts & other expenses	8,240	8,411	9,042	9,246
1,959	Depreciation, amortisation & impairment	1,970	2,222	2,103	2,072
290	Finance costs	390	384	334	304
16,058	TOTAL EXPENSES	16,145	16,562	17,024	17,167
136	OPERATING SURPLUS / (DEFICIT)	137	154	166	236
32	Asset disposals & fair value adjustments	-	13	20	20
168	NET SURPLUS / (DEFICIT)	137	167	186	256
-	Other Comprehensive Income	-	-	-	-
168	TOTAL COMPREHENSIVE INCOME	137	167	186	256

EAST WASTE**PROJECTED BALANCE SHEET (BUDGET)**

for the Financial Year Ending 30 June 2020

FY 2019		FY 2020	FY2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Adopted Budget (BR2)	Proposed Budget (BR3)
\$'000		\$'000	\$'000	\$'000	\$'000
ASSETS					
CURRENT ASSETS					
1,967	Cash & Cash Equivalents	2,233	1,998	2,100	2,162
717	Trade & Other Receivables	412	717	717	717
-	Other Financial Assets	-	-	-	-
2,684	TOTAL CURRENT ASSETS	2,645	2,715	2,817	2,879
NON-CURRENT ASSETS					
6,100	Infrastructure, Property, Plant & Equipment	6,611	7,487	7,776	7,709
6,100	TOTAL NON-CURRENT ASSETS	6,611	7,487	7,776	7,709
8,784	TOTAL ASSETS	9,256	10,202	10,593	10,588
LIABILITIES					
CURRENT LIABILITIES					
771	Trade & Other Payables	821	771	771	771
1,987	Borrowings	2,287	2,287	2,287	2,287
540	Provisions	640	500	580	588
3,298	TOTAL CURRENT LIABILITIES	3,748	3,558	3,638	3,646
NON-CURRENT LIABILITIES					
4,702	Borrowings	4,751	5,733	5,880	5,791
78	Provisions	102	38	118	127
4,780	TOTAL NON-CURRENT LIABILITIES	4,853	5,771	5,998	5,917
8,078	TOTAL LIABILITIES	8,601	9,329	9,636	9,563
706	NET ASSETS	655	873	957	1,026
EQUITY					
706	Accumulated Surplus	655	873	957	1,026
706	TOTAL EQUITY	655	873	957	1,026

EAST WASTE**PROJECTED STATEMENT OF CASH FLOWS (BUDGET)**
for the Financial Year Ending 30 June 2020

FY 2019		FY2020	FY2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Adopted Budget (BR2)	Proposed Budget (BR3)
\$'000		\$'000	\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
RECEIPTS					
16,572	Operating Receipts	16,252	16,701	17,185	17,405
32	Investment Receipts	30	30	20	13
PAYMENTS					
(5,555)	Employee costs	(5,545)	(5,545)	(5,545)	(5,545)
(8,260)	Materials, contracts & other expenses	(8,160)	(8,594)	(9,225)	(9,414)
(309)	Interest Payments	(390)	(384)	(280)	(250)
2,480	NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	2,187	2,208	2,155	2,209
CASH FLOWS FROM INVESTING ACTIVITIES					
RECEIPTS					
35	Sale of Replaced Assets	35	35	83	83
PAYMENTS					
(1,897)	Expenditure on Renewal/Replaced Assets	(2,540)	(2,540)	(2,580)	(2,483)
-	Expenditure of New/Upgraded Assets	-	-	-	-
(1,862)	NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES	(2,505)	(2,505)	(2,497)	(2,400)
CASH FLOWS FROM FINANCING ACTIVITIES					
RECEIPTS					
65	Capital Contributed by Member Councils	-	65	65	65
1,814	Proceeds from Borrowings	2,260	2,260	2,260	2,171
PAYMENTS					
(1,906)	Repayment of Borrowings	(1,987)	(1,987)	(1,840)	(1,840)
-	Distribution - Member Councils	-	-	-	-
(27)	NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	273	338	485	396
591	NET INCREASE (DECREASE) IN CASH HELD	(45)	41	142	204
1,367	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,278	1,958	1,958	1,958
1,958	CASH & CASH EQUIVALENTS AT END OF PERIOD	2,233	1,999	2,100	2,162

EAST WASTE**PROJECTED STATEMENT OF CHANGES IN EQUITY (BUDGET)**
for the Financial Year Ending 30 June 2020

FY 2019		FY 2020	FY 2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Adopted Budget (BR2)	Proposed Budget (BR3)
\$		\$'000	\$'000	\$'000	\$'000
473	BALANCE AT END OF PREVIOUS REPORTING PERIOD	518	706	706	706
168	Net Surplus / (Deficit) for Year	137	167	186	256
65	Contributed Equity	-	-	65	65
-	Distribution to Member Councils	-	-	-	-
706	BALANCE AT END OF REPORTING PERIOD	655	873	957	1,026

EAST WASTE

PROJECTED UNIFORM PRESENTATION OF FINANCES STATEMENT (BUDGET) for the Financial Year Ending 30 June 2020

FY 2019		FY 2020	FY2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Adopted Budget (BR2)	Proposed Budget (BR3)
\$'000		\$'000	\$'000	\$'000	\$'000
16,194	Income	16,282	16,716	17,190	17,403
16,058	Expenses	(16,145)	(16,562)	(17,024)	(17,167)
136	Operating Surplus / (Deficit)	137	154	166	236
Net Outlays on Existing Assets					
(1,897)	Capital Expenditure on Renewal and Replacement of Existing Assets	(2,540)	(2,540)	(2,580)	(2,483)
1,959	Depreciation, Amortisation and Impairment	1,970	2,222	2,103	2,072
35	Proceeds from Sale of Replaced Assets	35	35	83	83
97		(535)	(283)	(395)	(328)
Net Outlays on New and Upgraded Assets					
-	Capital Expenditure on New and Upgraded Assets	-	-	-	-
-	Amounts Specifically for New and Upgraded Assets	-	-	-	-
-	Proceeds from Sale of Surplus Assets	-	-	-	-
-		-	-	-	-
233	Net Lending / (Borrowing) for Financial Year	(398)	(129)	(228)	(92)

7.2: REVIEW OF EAST WASTE CHARTER

REPORT AUTHOR: Manager, Corporate Services

ATTACHMENTS: A: Proposed East Waste Charter Amendments

Purpose of the Report

To provide an opportunity for the Audit and Risk Management Committees to provide input into the review of the *East Waste Charter*.

Background

The East Waste Charter (the Charter) was last reviewed and amended in June/July 2017 to coincide with City of Prospect joining East Waste as Constituent Council. In accordance with Clause 3.5 of the Charter, Constituent Councils may review the Charter at any time, but must at least be reviewed once every four years.

At the East Waste Board meeting held 20 February 2020 discussion ensued with respect to Agenda Item 7.1 – Financial Report – Budget Review Two, with respect to the return of the FY2018/19 East Waste Operating Surplus to Constituent Councils. The Board subsequently resolve (in part):

7.1 FINANCIAL REPORT – BUDGET REVIEW TWO

Moved Mr Di Iulio that the Board:

3. *Request Administration undertake a review and required amendments of the East Waste Charter.*

Seconded Mayor Holmes-Ross

Carried

Currently *Clause 61 – Distributions to Constituent Councils* of the Charter reads:

“The Authority must pay or credit surplus funds to the Constituent Councils in proportion to their Shares to the extent the Board determines the Authority can afford to pay having regard to future expenditure the Business Plan anticipates be incurred.”

Clause 57 – Variation of Shares deals with the application and variation to any shares.

“At the date of operation of this Charter the Constituent Councils’ shares in the Authority are equal.”

To be consistent with Clauses 61 and 57.1 of the Charter, any operating surpluses should be distributed to Constituent Councils based on their shares (one-seventh equal split). However, as the operating surplus has been generated based on common fleet percentage charges, it is deemed more equitable to distribute according to the common fleet percentages of the year it was generated within. Similarly, it is proposed the same methodology would apply if East Waste was required to seek additional funds from Council as a result of an operating loss that needed to be recovered.

Report

The FY 2019/20 Common Fleet percentages are listed in Table 1 and these remain relatively stable (typically fluctuating less than 0.5% from year to year), unless a new Council or service commences. The equity share (Share) (Clause 57) of each Council is 14.29%.

Table 1: Financial Year 2019/20 Common Fleet Costing Percentages

Member Council	Common Fleet %
Adelaide Hills Council	22.50%
City of Burnside	16.72%
Campbelltown City Council	19.24%
City of Mitcham	14.41%
City of Norwood Payneham & St Peters	16.21%
City of Prospect	7.44%
Corporation Town of Walkerville	3.48%

In accordance with the resolution of the Board, East Waste Administration have commenced a review of the Charter. The Charter, inclusive of proposed amendments, is included at Attachment A. Proposed amendments to remedy the issue discussed, are included at clauses:

- 1 (addition of Common Fleet Collection Percentage interpretation); and
- 61 (clarification of distributing operating surpluses and recuperating operating losses).

In addition to amendments proposed at the abovementioned clauses, minor amendments are also proposed at clauses:

- 9.2.10;
- 14.1.3;
- 39.1.5;
- 43.1;
- 57.4;
- 57.5; and
- 51.3.

Attachment A is provided to seek the input, review and suggestions of the Committee.

Recommendation

That the Committee recommend the proposed amendments to the East Waste Charter, as presented in Attachment A, to the East Waste Board for consideration.

LOCAL GOVERNMENT ACT 1999
EASTERN WASTE MANAGEMENT AUTHORITY

Charter

PART 1—PRELIMINARY

1. DICTIONARY

In this Charter:

Absolute Majority means a majority of the whole number of the Constituent Councils.

Act means Local Government Act 1999.

Annual Plan means an Annual Plan that conforms to Part 14 and last adopted by the Board.

Authority means Eastern Waste Management Authority ('East Waste').

Board means the board of management of the Authority.

Borrowings Limit means at any time the amount authorised in the current Annual Plan and Budget of the Authority.

Budget means a budget that conforms to Part 14 and last adopted by the Board.

Business Plan means a business plan that conforms to Part 12 and last adopted by the Board.

Chief Executive -Officer- means- at any time the chief executive officer of the Authority and includes that person's deputy or a person acting in that position.

Common Fleet Collection Percentage – the proportion of the Authority's total time required to undertake core waste collection activities for a Constituent Council (represented as a percentage).

Constituent Council means at any time a constituent council in relation to the Authority and on the date of publication of this Charter in the *Gazette* means Adelaide Hills Council, City of Burnside, City of Campbelltown, City of Norwood Payneham and St Peters, City of Mitcham, Corporation of the Town of Walkerville, City of Prospect.

Core Activity means collection, recycling and/or disposal of waste produced within the area of one or more of the Constituent Councils.

Deputy Director means a deputy for a Director.

Director means at any time a member of the Board.

Financial Year means 1 July in each year to 30 June in the subsequent year.

Gazette means the South Australian Government Gazette.

Non-core Activity means an activity that is not a Core Activity.

Non-core Assets means in relation to a Non-core Activity any assets of the Authority acquired for the purpose of that Non-core Activity and includes any revenue derived from that Non-core Activity. Where an asset or revenue is acquired or derived for both a Core Activity and a Non-core Activity, a fair allocation between those purposes must be made by the Board.

Non-core Liabilities means in relation to a Non-core Activity any liabilities of the Authority incurred or assumed for the purpose of that Non-core Activity. Where a liability is incurred or assumed for both a Core Activity and a Non-core Activity, a fair allocation between those purposes must be made by the Board.

Non-core Plan means a plan for a Non-core Activity that conforms to Part 13 and forms part of the Business Plan.

Share means a Constituent Council's percentage share in the assets, liabilities and revenue of the Authority. On the date of Gazetteal of this Charter, the shares are held between the Constituent Councils in equal proportions

The Shares may be varied by agreement in writing of all the Constituent Councils, and must be reviewed (and if necessary, varied) where a new Constituent Council is admitted or an existing Constituent Council resigns.

Simple Majority means a majority of the Directors present at a Board Meeting and entitled to vote, or a majority decision of the Constituent Councils as the case may be.

Surplus Funds means funds that are surplus to the long-term financial requirements of the Authority, as evidenced by its Business Plan.

Unanimous Decision means a decision made by all of the Constituent Councils as voting in the same manner.

Waste means any and all waste as approved by the Environment Protection Act Licence held by the Authority and includes domestic and commercial kerbside waste, kerbside green and food/organics, kerbside recyclable material, Council waste and Council depot waste.

Subject to the above, words and expressions in this Charter have the same meaning as in a provision of the Act that deals with the same matter.

2. INTERPRETATION

In this Charter: The singular includes the plural and *vice versa* and words importing a gender include other genders; words importing natural persons include corporations; reference to a section(s) is to a section of the Act and includes any section that substantially replaces that section and deals with the same matter; headings are for ease of reference only and do not affect the construction of this Charter.

3. ABOUT THIS CHARTER

3.1 This Charter is the charter of the Authority.

3.2 This Charter binds the Authority and each Constituent Council.

3.3 Despite any other provision in this Charter:

3.3.1 if the Act prohibits a thing being done, the thing may not be done;

3.3.2 if the Act requires a thing to be done, Board approval is given for that thing to be done; and

3.3.3 if a provision of this Charter is or becomes inconsistent with the Act, that provision must be read down or failing that severed from this Charter to the extent of the inconsistency.

- 3.4 This Charter may not be amended except as all the Constituent Councils may agree by each passing a resolution in the same terms. An amendment is not effective unless and until published in the *Gazette*.
- 3.5 The Constituent Councils may review this Charter at any time, but must in any event review this Charter at least once in every four years.
- 3.6 Notwithstanding Clause 3.5, the first review of this Charter is to be completed two years from the date of Gazettal of the Charter.

PART 2—AUTHORITY

4. ABOUT THE AUTHORITY

The Authority is an Authority established under the Act.

5. NAME OF THE AUTHORITY

The name of the Authority is Eastern Waste Management Authority trading as 'East Waste'.

6. CORPORATE STATUS

The Authority is a body corporate.

PART 3—FUNCTIONS AND POWERS

7. PROPERTY

The Authority holds its property and assets on behalf of the Constituent Councils.

8. AREA OF INTEREST

The Authority may only undertake a Non-core Activity outside the areas of the Constituent Councils where that activity has been approved by Unanimous Decision of the Constituent Councils as being necessary or expedient to the performance by the Authority of its functions and is an activity included in a Business Plan of the Authority

9. PURPOSE AND FUNCTIONS

- 9.1 The Authority is established by the Constituent Councils for the purpose of the collection and disposal of Waste, primarily within the areas of the Constituent Councils and has the following functions in this regard:
- 9.1.1 to predominantly operate or obtain services for the collection of Waste on behalf of Constituent Councils and/or other approved Councils;
- 9.1.2 to provide waste management services whether in or (so far as the Act allows) outside the area of any of the Constituent Councils, including waste collection, recycling of organic and inorganic materials, disposal of waste;
- 9.1.3 to undertake management and collection of Waste (in accordance with regulatory approvals) and kerbside materials recovery, on behalf of Constituent Councils (and/or other approved councils) in an environmentally responsible, effective, efficient, economic and competitive manner;
- 9.2 The following functions may be undertaken by the Authority but only where required or directed by one or more Constituent Councils and charged directly to the Council or Councils so requiring or directing:
- 9.2.1 to promote the minimisation of Waste in the areas of the Constituent Councils;
- 9.2.2 to promote the recycling of recyclable materials in the areas of the Constituent Councils
- 9.2.3 to undertake Waste community education programs on behalf of the Constituent Councils;
- 9.2.4 on behalf of the Constituent Councils or on its own behalf, to liaise with other councils, the State of South Australia and the Commonwealth of Australia and their respective instrumentalities for matters relating to Waste management in the common interest of the Constituent Councils;
- 9.2.5 on behalf of the Constituent Councils, provide a representative to any statutory board or statutory committee concerned with waste management that allows two or more of the Constituent Councils to nominate a representative;
- 9.2.6 on behalf of the Constituent Councils or on its own behalf, to make application for grants and other funding from the State of South Australia and the Commonwealth of Australia and their respective instrumentalities for the purposes of the Authority;
- 9.2.7 to keep Constituent Councils abreast of any emerging opportunities/trends/issues in waste management;
- 9.2.8 to undertake activities which result in a beneficial use of Waste on behalf of the Constituent Councils;
- 9.2.9 to conduct all activities in a manner which complies with all regulatory requirements and minimises risks to the Constituent Councils;
- 9.2.10 on behalf of the Constituent Councils or on its own behalf, to liaise with relevant State Government agencies such as Green Industries SA (~~successor to Zero Waste SA~~), Environment Protection Authority (or equivalent successor organisations), taking into account its approved Business Plan;
- 9.2.11 on behalf of the Constituent Councils, to perform and/or monitor the effectiveness and application of funding arrangements agreed by the Constituent Councils for waste management;
- 9.2.12 to provide a forum for discussion and consideration of topics relating to the Constituent Councils' responsibilities to manage waste particularly in the area of the Constituent Councils and the implications of that management beyond the area of the Constituent Councils.

10. POWERS

The Authority may do anything necessary, expedient or incidental to performing or discharging its functions including, without limitation:

- 10.1 become a member of and/or co-operate with any organisation with complementary functions;
- 10.2 receive gifts of money or property from any person;
- 10.3 make payable by a new Constituent Council any joining fee;
- 10.4 carry out its Annual Plan and Budget;

- 10.5 carry out its Business Plan and Non-core Plans;
- 10.6 make payable by Constituent Councils contributions to the Authority in proportion to their Core Shares or Common Fleet percentage (as determined by the Board);
- 10.7 employ and dismiss a Chief Executive Officer;
- 10.8 contract with any person;
- 10.9 acquire or dispose of any real or personal property in accordance with the Business Plan or otherwise with a Unanimous Decision of the Constituent Councils;
- 10.10 operate an account or accounts with a bank or with the Local Government Finance Authority, or both;
- 10.11 borrow or raise money within the Borrowings Limit;
- 10.12 lend money in accordance with the Business Plan or pursuant to a Unanimous Decision of the Constituent Council;
- 10.13 insure against any risk;
- 10.14 enter into a partnership or joint venture with any person in accordance with the Business Plan or pursuant to a Unanimous Decision of the Constituent Councils;
- 10.15 pay any cost or expense of the establishment, operation, administration or winding up of the Authority;
- 10.16 compromise, compound, abandon or settle a debt or claim owed to the Authority;
- 10.17 waive a legal or equitable or statutory right;
- 10.18 refer a dispute between the Authority and any third party (other than a Constituent Council) to arbitration;
- 10.19 allocate receipts and expenditure between Core Activity and Non-core Activities and between each Non-core Activity;
- 10.20 where the same services/activities are not being provided equally to all Constituent Councils, to charge the differential costs of those services/activities directly to the benefiting Councils;
- 10.21 charge Constituent Councils the full costs incurred in the delivery of the services to them, -such costs being calculated on a user pays basis (including depreciation and other overheads for use of shared assets, and all other common expenses);
- 10.22 charge non-Constituent Councils a price, based on an estimate of costs incurred in providing the service plus a margin for profit and risk;
- 10.23 make any election for the purpose of any tax;
- 10.24 delegate the exercise of any of its functions or other powers (including the receipt and payment of money) to any person;
- 10.25 those powers given to trustees by law, equity or statute and not necessarily inconsistent with this Charter or the functions of the Authority;
- 10.26 pay to the Constituent Councils or accumulate as reserves for up to such period as the law allows any surplus funds;
- 10.27 such other powers as the Act or this Charter may confer upon the Authority;
- 10.28 all things incidental to the exercise of any other power of the Authority.

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11. POWER OF DELEGATION

As a matter of record, -Schedule 2, -Clause 36 -of the Act -vests -a -power -of -delegation in the Authority. The Authority may not delegate the following powers or functions:

- 11.1 the power to impose charges;
- 11.2 the power to enter into transactions in excess of \$50 000 unless authorised in an Annual Plan;
- 11.3 the power to borrow money or obtain any other form of financial accommodation unless authorised in an Annual Plan;
- 11.4 the power to approve expenditure of money on the works, services or operations of the Authority not set out in a Budget approved by the Authority or where required by this Charter approved by the Constituent Councils;
- 11.5 the power to approve the reimbursement of expenses or payment of allowances to members of the Board of Management;
- 11.6 the power to adopt a Budget;
- 11.7 the power to adopt an Annual Plan;
- 11.8 the power to adopt a Business Plan (or any component thereof);
- 11.9 the power to adopt or revise financial estimates and reports; and
- 11.10 the power to make any application or recommendation to the Minister.

12. GUIDING PRINCIPLES

The Authority must in the performance of its functions and in all of its plans, policies and activities give due weight to economic, social and environmental considerations.

PART 4—CONSTITUENT COUNCILS

13. CONSTITUENT COUNCILS MAY ACT INDEPENDENTLY

A Constituent Council may perform for itself the same functions and powers as the Authority could on behalf of that Constituent Council.

14. INCOMING CONSTITUENT COUNCILS

- 14.1 Any council may become a Constituent Council (an Incoming Constituent Council) if:
 - 14.1.1 it makes written application (in a form approved by the Board) to become a Constituent Council and agrees to be bound by this Charter (noting that Shares will change);
 - 14.1.2 its application is supported by a thorough, realistic, independent, and diligent Business Case analysis;
 - 14.1.3 at the Board's discretion, it pays any joining fee or other payment as may be required by the Board;
 - 14.1.4 the Constituent Councils approve the application and revised Shares by Unanimous Decision; and
 - 14.1.5 the Minister approves.

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14.2 An Incoming Constituent Council:

- 14.2.1 is jointly and severally liable with the other Constituent Councils for the debts and liabilities of the Authority incurred before or after the date it becomes a Constituent Council, or as otherwise agreed;
- 14.2.2 is bound by a decision made or step taken by the Board in the affairs of the Authority before it became a Constituent Council to the extent such decision or step was recorded in minutes of the Board's meetings or otherwise notified to the Incoming Constituent Council before it made application to become a Constituent Council; and
- 14.2.3 upon becoming a Constituent Council has -the Share agreed between -the Incoming Constituent Council -and the Constituent Councils.

15. OUTGOING CONSTITUENT COUNCILS

15.1 A Constituent Council may resign if and only if:

- 15.1.1 the Constituent Council gives at least 24 months' written notice of resignation to each Constituent Council, which notice is effective on the next 30 June on or after expiry of that period;
- 15.1.2 the Board by majority vote approves; and
- 15.1.3 the Minister approves.

15.2 A former Constituent Council remains liable to contribute to the debts and liabilities of the Authority incurred while it was a Constituent Council including by contributing to the depreciated value of any asset acquired during that time, and for a share of any future losses on contracts entered into whilst a Constituent Council.

15.3 A former Constituent Council:

- 15.3.1 is not entitled to any refund of contributions made;
- 15.3.2 relinquishes any beneficial interest in the assets of the Authority; and
- 15.3.3 remains bound by any separate contract in force between the Authority and the former Constituent Council.

15.4 This Clause is to be read conjunctively with Clause 57 of this Charter.

16. NO TRANSFER OF MEMBERSHIP

Membership of the Authority is personal to the Constituent Council and is not transferable.

17. CONSTITUENT COUNCILS MAY DIRECT THE AUTHORITY

17.1 The Authority is subject to the joint direction and control of the Constituent Councils.

17.2 To be effective, a determination or direction or other decision of the Constituent Councils must be a Unanimous Decision and evidenced by either:

- 17.2.1 a minute signed by the chair of a meeting of authorised delegates of the Constituent Councils that at such meeting a decision was duly made by each delegate on behalf of their Constituent Council; or
- 17.2.2 a resolution in the same terms in favour of that decision passed individually by each of the Constituent Councils.

18. CONSTITUENT COUNCILS ARE GUARANTORS OF THE AUTHORITY

18.1 As a matter of record, Schedule 2, Clause 31 (1) of the Act is that liabilities incurred or assumed by the Authority are guaranteed by the Constituent Councils.

18.2 As between the Constituent Councils, they share in the liabilities of the Authority in proportion to their respective Share.

19. SPECIAL DECISIONS FOR THE AUTHORITY

Neither the Authority nor any person on its behalf may give effect to a Special Decision unless the Constituent Councils vote in favour of a resolution for the Special Decision by Absolute Majority.

For these purposes, a Special Decision means any of the following:

- (a) adopt or vary a Business Plan;
- (b) adopt or vary an Annual Plan;
- (c) delegate the authority of the Board to any person other than the Chief Executive Officer;
- (d) to any extent not provided for in a Business Plan or Annual Plan and Budget:
 - (i) call on Constituent Councils to contribute funds;
 - (ii) grant or vary a guarantee/indemnity of the obligations of another person;
 - (iii) apply for government funding;
 - (iv) obtain credit except in the ordinary course of the activities of the Authority;
 - (v) acquire (by purchase or finance lease) a capital asset;
 - (vi) dispose of a capital asset except at the end of its effective life;
 - (vii) take a lease or tenancy of any premises;
 - (viii) employ any employees.

The Authority must promptly give effect to Special Decision made in conformity with this clause.

PART 5—DIRECTORS

20. QUALIFICATION OF DIRECTORS

A Director must be a natural person.

21. APPOINTMENT OF DIRECTORS

21.1 Subject to the provisions of Clauses 33.1 and 33.2 the Board shall consist of eight Directors appointed as follows:

- 21.1.1 one person appointed by each Constituent Council which person may be an officer, employee, elected member of a Constituent Council or an independent person who will be appointed for a two year term; and

21.1.2 one independent person (who shall be the Chair) appointed jointly by Absolute Majority of the Constituent Councils for a two year term (and at the expiration of the term is eligible for re-appointment) who is not an officer, employee or elected member of a Constituent Council, but who has expertise in:

- (a) corporate financial management and/or
- (b) general management and/or
- (c) waste management and/or
- (d) transport fleet management and/or
- (e) public sector governance and/or
- (f) marketing and/or
- (g) economics and/or
- (h) environmental management.

21.2 Each Constituent Council must give to the Authority a written notice of appointment of the Director appointed under Clause 21.1.1 and written confirmation of their agreement with the proposed appointment of the Director under Clause 21.1.2.

21.3 Each Director must give to the Authority a written consent to act as a Director, signed by him/herself.

21.4 Each Constituent Council must appoint a person to be a Deputy Director for such term as determined by that Constituent Council who may act in place of that Constituent Council's Director, and will have the same powers as a Director pursuant to the Charter, if the Director is unable for any reason to be present at a meeting of the Board; and

21.4.1 If at any time a Deputy Director is removed from their office pursuant to Clause 22A, the Constituent Council must appoint another person to be a Deputy Director.

22. REMOVAL OF DIRECTORS

22.1 Neither the Authority nor the Board may remove a Director.

22.2 A Constituent Council which appointed a person as a Director may remove that person from office by giving to the Authority a written notice of removal of the Director, signed by the Chief Executive Officer of the Constituent Council.

22.3 The Director appointed pursuant to Clause 21.1.2 may be removed by a decision being a resolution in the same or similar terms passed by an Absolute Majority of the Constituent Councils.

22.4 The Board may recommend to Constituent Councils, that the appointment of a Director be terminated in the event of:

- 22.4.1 behaviour of the Director which in the opinion of the Board amounts to impropriety;
- 22.4.2 serious neglect of duty in attending to the responsibilities of Director;
- 22.4.3 breach of fiduciary duty to the Board;
- 22.4.4 breach of the duty of confidentiality to the Board;
- 22.4.5 breach of the conflict of interest rules of the Board; or
- 22.4.6 any other behaviour which may discredit the Board.

22.5 The office of a Director becomes vacant if the Director:

- 22.5.1 dies;
- 22.5.2 is not reappointed;
- 22.5.3 resigns by written notice addressed to the Constituent Councils and served on any of them;
- 22.5.4 becomes bankrupt or applies for the benefit of a law for the relief of insolvent debtors;
- 22.5.5 was when appointed an elected member or employee of the Constituent Council who appointed them and ceases to be an elected member or employee of that Constituent Council; or
- 22.5.6 was appointed by a Constituent Council, which ceases to be a Constituent Council.

22A. REMOVAL OF DEPUTY DIRECTORS

22A.1 Neither the Authority nor the Board may remove a Deputy Director.

22A.2 A Constituent Council which appointed a person as a Deputy Director may remove that person from their office by giving the Board a written notice of removal of the Deputy Director, signed by the Chief Executive Officer of the Constituent Council.

22A.3 The Board may recommend to Constituent Councils that the appointment of a Deputy Director may be terminated in the event of:

- 22A.3.1 behaviour of the Deputy Director which in the opinion of the Board amounts to impropriety;
- 22A.3.2 serious neglect of duty in attending to the responsibilities of the Deputy Director;
- 22A.3.3 breach of fiduciary duty to the Board;
- 22A.3.4 breach of duty of confidentiality to the Board;
- 22A.3.5 breach of the conflict of interest rules of the Board; or
- 22A.3.6 any other behaviour which may discredit the Board.

22A.4 The office of a Deputy Director becomes vacant if the Deputy Director:

- 22A.4.1 dies;
- 22A.4.2 is not reappointed;
- 22A.4.3 resigns by written notice addressed to the Constituent Councils and served on any of them;

22A.4.4 becomes bankrupt or applies for the benefit of a law for the relief of insolvent debtors;

22A.4.5 was when appointed an elected member or employee of the Constituent Council who appointed them and ceases to be an elected member or employee of that Constituent Council; or

22A.4.6 was appointed by a Constituent Council, which ceases to be a Constituent Council.

23. REMUNERATION AND EXPENSES OF DIRECTORS

23.1 The Authority will only remunerate the Independent Director/Chair appointed under Clause 21.1.2.

23.2 The Board will determine the level of the remuneration (no matter how it is classified) of the Independent Director/Chair, by having regard to its Director/Chair Remuneration Policy.

23.3 The Authority can pay a Director's travelling and other expenses that they properly incur in connection with the Authority's business and with the prior approval of the Board as recorded in minutes of Board meetings.

24. REGISTER OF INTERESTS

A Director is required to submit returns to the Authority under Chapter 5, Part 4, Division 2 of the Act.

25. PROTECTION FROM LIABILITY

As a matter of record, Schedule 2, Clause 38 of the Act protects a Director from certain civil liabilities.

26. SAVING PROVISION

As a matter of record, Schedule 2, Clause 40 of the Act is that no act or proceeding of the Authority is invalid by reason of:

26.1 a vacancy or vacancies in the membership of the Board; or

26.2 a defect in the appointment of a Director.

PART 6—OTHER OFFICERS

27. CHAIR

27.1 At all times, the Authority must have a Chair, who will be the independent Director appointed under Clause 21.1.2.

27.2 The Chair's functions are:

27.2.1 to preside at all meetings of the Board;

27.2.2 to serve as an *ex officio* member and chair of all committees established by the Board;

27.2.3 to represent the Authority in relations with the media and the public generally; and

27.2.4 to exercise other functions as the Board determines.

28. DEPUTY CHAIR

28.1 At all times, the Authority must have a Deputy Chair, who must be a Board Member.

28.2 The Board appoints the Deputy Chair and may at any time remove from office the Deputy Chair and appoint a replacement Deputy Chair.

28.3 The Deputy Chair's functions are:

28.3.1 to assist the Chair; and

28.3.2 to exercise the Chair's functions whenever the Chair is unable to do so.

28.4 A person ceases to be Deputy Chair if they cease to be a Board Member.

29. CHIEF EXECUTIVE OFFICER

29.1 At all times so far as practicable, the Authority must have a Chief Executive Officer.

29.2 At any time the Board may give a new title to the position of Chief Executive Officer in which case this Charter is taken to refer to the same position under a new title.

29.3 The Board shall appoint a Chief Executive Officer on a fixed term performance-based employment contract, which does not exceed five years in duration.

29.4 The Board may at the end of the contract term, enter into a new contract not exceeding five years in duration with the same person.

29.5 The Board may revoke or vary an appointment of a Chief Executive Officer, subject to any agreement made between the Chief Executive Officer and the Authority.

29.6 In the absence of the Chief Executive Officer for any period exceeding one week, the Chief Executive Officer shall appoint a suitable person as Acting Chief Executive Officer. If the Chief Executive Officer does not make or is incapable of making such an appointment, a suitable person must be appointed by the Board.

29.7 The Board delegates responsibility for day to day management of the Authority to the Chief Executive Officer, who will ensure that sound business, risk minimisation, financial and human resource management practices are applied in the efficient and effective management of the operations of the Authority.

29.8 The functions of the Chief Executive Officer shall include:

29.8.1 ensuring that the decisions of the Board are implemented in a timely and efficient manner;

29.8.2 providing information to assist the Board to assess the Authority's performance against its Business Plan;

29.8.3 appointing, managing, suspending and dismissing other employees of the Authority;

29.8.4 providing advice and reports to the Board on the exercise and performance of its powers and functions under this Charter or any Act;

29.8.5 co-ordinating and initiating proposals for consideration of the Board including but not limited to continuing improvement of the operations of the Authority;

29.8.6 ensuring that the assets and resources of the Authority are properly managed and maintained;

29.8.7 ensuring that records required under the Act or any other legislation are properly kept and maintained;

- 29.8.8 exercising, performing or discharging other powers, functions or duties conferred on the Chief Executive Officer by or under the Act or any other Act, and performing other functions lawfully directed by the Board, and achieving financial outcomes in accordance with adopted plans and budgets.
 - 29.8.9 issuing notices calling Board meetings;
 - 29.8.10 attending all Board meetings and keeping correct minutes of the proceedings unless excluded by resolution of the Board;
 - 29.8.11 managing all other employees of the Authority;
 - 29.8.12 receiving and answering correspondence and notices to the Authority;
 - 29.8.13 keeping all documents and records belonging to the Authority;
 - 29.8.14 supervising the handling of money by or for the Authority and the keeping of financial records;
 - 29.8.15 issuing receipts for moneys received and keep a correct account of all receipts and expenditure;
 - 29.8.16 operating the Authority's bank account (including sign cheques and other negotiable instruments and make payments over the Internet within the delegations to the position) together with one other signatory appointed by the Board. Unless the Board determines otherwise, that other person must be the Chair;
 - 29.8.17 having custody and safekeeping of the records of the Authority;
 - 29.8.18 preparing draft Annual and Business Plans for consideration of the Board;
 - 29.8.19 monitoring the financial performance of the Authority against an adopted Annual and Business Plan and promptly reporting to the Board any material discrepancies known or anticipated;
 - 29.8.20 preparing such statements, reports, returns or other written information as the Act or any law requires the Authority to lodge with government;
 - 29.8.21 preparing draft financial statements; and
 - 29.8.22 such other functions as the Board may vest in the Chief Executive Officer.
- 29.9 The Board may delegate to the Chief Executive Officer any of the powers that the Board can exercise where those powers are not restricted from delegation by the Act or this Charter, noting that:
- 29.9.1 the Chief Executive Officer may delegate or sub-delegate to an employee of the Authority or a committee comprising employees of the Authority, any power or function vested in the Chief Executive Officer. Such delegation or sub-delegation may be subject to conditions or limitations as determined by the Chief Executive Officer;
 - 29.9.2 where a power or function is delegated to an employee, the employee is responsible to the Chief Executive Officer for the efficient and effective exercise or performance of that power or function; and
 - 29.9.3 a written record of delegations and sub-delegations must be kept by the Chief Executive Officer at all times.
- 29.10 The Chief Executive Officer enjoys functions and responsibilities set out at Section 99 (1) (a), (b), (c), (d), (e) and (h) and 103 of the Act as if the Authority were a council and the Chief Executive Officer were a chief executive officer of a council.
- 29.11 The Chief Executive Officer may establish an Operations Assistance Committee consisting of one appropriately qualified senior officer from each Constituent Council and this Committee will:
- 29.11.1 advise and assist the Chief Executive Officer in operations matters;
 - 29.11.2 report to the Board via the Chief Executive Officer;
 - 29.11.3 meet at least four times in each calendar year;
 - 29.11.4 be chaired by the Chief Executive Officer; and
 - 29.11.5 have its terms of reference written by the Chief Executive Officer.

30. AUDITOR

The Authority must have an auditor. Subject to the Act, an auditor holds office on the terms and conditions (including as to remuneration) that the Board determines.

PART 7—AUDIT COMMITTEE

31. AUDIT COMMITTEE

As a matter of record, the Authority is required to establish an audit committee and Schedule 2, Clause 30 of the Act governs the constitution and functions of the audit committee.

PART 8—STAFF

32. STAFF

- 32.1 In addition to a Chief Executive Officer, the Authority may employ other staff subject to the Board making appropriate financial provision.
- 32.2 The Board and a Constituent Council may arrange for that Constituent Council to make available its staff in connection with the Authority's affairs for such remuneration (if any) as those parties may agree.

PART 9—BOARD

33. BOARD

The Authority must at all times have a Board comprised of Directors.

- 33.1 The Constituent Councils acknowledge and accept that the Directors will act and take decisions in the best interest of the Authority.
- 33.2 The Constituent Councils understand that each Director nominated by a Constituent Council will bring to discussion a perspective from the Council which nominated that Director but that shall not interfere with the obligations of Directors in respect of Clause 33.1.

34. BOARD'S POWERS

- 34.1 As a matter of record, Schedule 2, Clause 22 (1) of the Act is that the Board is responsible for the administration of the affairs of the Authority.
- 34.2 As a matter of record, Schedule 2, Clause 22 (3) of the Act is that anything done by the Board in the administration of the Authority's affairs is binding on the Authority.
- 34.3 The Board may exercise all the powers of the Authority except any powers that the Act or this Charter requires the Constituent Councils to exercise.
- 34.4 As a matter of record, Schedule 2, Clause 36 (1) of the Act authorises the Board to delegate powers or functions conferred under this or another Act.
- 34.4.1 A delegation of powers by the Board:
- (a) may authorise the delegate to sub-delegate all or any of the powers vested in the delegate;
 - (b) is concurrent with the exercise by the Board of those powers;
 - (c) is subject to any specified conditions and limitations; and
 - (d) is revocable at will.

35. BOARD MEETINGS

- 35.1 Subject to Schedule 2, Clause 21 of the Act, to a direction of the Constituent Councils and to the other provisions of this Charter.
- 35.1.1 the Board must determine its own procedures for meetings, which must be fair and contribute to free and open decision making;
- 35.1.2 the Board must set out the adopted meeting procedures in a meeting procedure code of practice which will be available to the public for inspection (without charge) and by way of a copy (on payment of a fee fixed by the Board); and
- 35.1.3 the code of practice may be reviewed by the Board at any time but must be reviewed at least once in every three years.
- 35.2 An ordinary meeting of the Board must be held at least every three calendar months.
- 35.3 Ordinary meeting of the Board must take place at such times and places as may be fixed by the Board or absent any decision of the Board the Chief Executive Officer of the Authority. Meetings shall not be held before 5 p.m. unless the Board resolves otherwise by resolution supported unanimously by all Board Members.
- 35.4 An ordinary meeting of the Board will constitute an ordinary meeting of the Authority. The Board shall administer the business of the ordinary meeting.
- 35.5 Notice of ordinary meetings of the Board must be given by the Chief Executive Officer to each Board Member and to each Constituent Council not less than three clear days prior to the holding of the meeting and shall be accompanied by the agenda for the meeting and any written reports.
- 35.6 The Chair or any two Directors may call a special meeting of the Board.
- 35.7 A special meeting of the Board must be held at a reasonable time and if the meeting is to be held in person, at a reasonable place.
- 35.8 Unless all Directors entitled to vote at the meeting agree otherwise, the persons calling a special Board meeting must give to the Chief Executive Officer a notice of meeting that:
- 35.8.1 sets out the place, date and time for the meeting;
- 35.8.2 states the general nature of the business of the meeting;
- 35.8.3 is accompanied by relevant information so far as reasonably available (if not already given to the Directors); and
- 35.8.4 is provided at least one clear business day before the special meeting (or such other period as all the Directors in office may as a matter of general policy determine otherwise).
- 35.9 A notice of special meeting provided to Directors by the Chief Executive Officer will at the same time be placed on public display at the principal office of the Authority and of each Constituent Council.
- 35.10 As a matter of record, Schedule 2, Clause 21 (5) of the Act permits a Board meeting by telephone or videoconference.
- 35.10.1 For the purposes of this subclause, the contemporary linking together by telephone, audio-visual or other instantaneous means ('telecommunications meeting') of a number of the Directors provided that at least a quorum is present, is deemed to constitute a meeting of the Board. Each of the Directors taking part in the meeting, must at all times during the telecommunications meeting be able to hear and be heard by each of the other Directors present. At the commencement of the meeting, each Director must announce his/her presence to all other Directors taking part in the meeting. A Director must not leave a telecommunications meeting by disconnecting his/her telephone, audio visual or other communication equipment, unless that Director has previously notified the chair of the meeting.
- 35.11 As a matter of record, Schedule 2, Clause 21 (6) of the Act permits a decision of the Board to be made in writing and not at a meeting.
- 35.11.1 A proposed resolution in writing and given to all Directors in accordance with proceedings determined by the Board will be a valid decision of the Board where a simple majority of Directors vote in favour of the resolution by signing and returning the resolution to the Chief Executive Officer or otherwise giving written notice of their consent and setting out the terms of the resolution to the Chief Executive Officer. The resolution shall thereupon be as valid and effectual as if it had been passed at the meeting of the Board duly convened and held.
- 35.12 Chapter 6, Parts 3 and 4 (public access to meetings and minutes) of the Act (to the extent that Part 4 is not inconsistent with this Charter) apply to Board meetings as if the Authority were a council and the Directors were members of a council.

- 35.13 Unless the Directors determine otherwise, the quorum for a Board meeting is a number -ascertained by dividing the - total number of members of the committee by two, ignoring any fraction resulting from the division and adding one.
- 35.14 At any time, the Board may agree to invite a person to attend a Board meeting as an observer or adviser.
- 35.15 As a matter of record, Schedule 2, Clauses 21 (4) (one vote per Director, no casting vote) and 21 (3) (majority vote) of the Act govern voting at a Board meeting.
- 35.16 As a matter of record, Schedule 2, Clause 21 (11) of the Act obliges the Board to keep minutes of its proceedings. All minutes must be prepared and distributed to both Directors and also to Constituent Councils within seven business days of the meeting to which they relate.

PART 10—COMPETITIVE NEUTRALITY

36. COMPETITIVE NEUTRALITY

- 36.1 For the purposes of Schedule 2, Clause 32 of the Act, the Authority is not involved in a significant business activity in undertaking its Core Activity.
- 36.2 In respect of any Non-core Activity that is a significant business activity, the Authority must at all times have current a National Competition Policy Statement in relation to competitive neutrality which it will adhere to in undertaking that Non-core Activity.

PART 11—GOVERNANCE

37. DIRECTOR'S CONFLICT OF INTEREST

As a matter of record, by Section 75 (2) of the Act, the provisions of Chapter 5, Part 4, Division 3 apply to Directors.

38. DIRECTOR'S DUTIES OF CARE

As a matter of record, Schedule 2, Clause 23 of the Act (care and diligence) and Schedule 2, Clause 34 of the Act (honesty, use of information, use of position) set out certain statutory duties that apply to a Director.

39. BOARD POLICIES AND CODES

- 39.1 The Authority must, in consultation with the Constituent Councils, prepare and adopt and thereafter keep under review policies on:
- 39.1.1 procedures for meetings of the Board (in accordance with Clause 35.1 of this Charter);
 - 39.1.2 contracts and tenders, as would conform to Section 49 of the Act;
 - 39.1.3 public consultation, as would conform to Section 50 of the Act.
 - 39.1.4 governance including as concerns:
 - (a) the operation of any account with a bank or Local Government Finance Authority;
 - (b) human resource management;
 - (c) improper assistance to a prospective contract party;
 - (d) improper offering of inducements to Directors or to staff of the Authority;
 - (e) improper lobbying of Directors or staff of the Authority;
 - 39.1.5 ~~workplace~~occupational health and safety;
 - 39.1.6 protection of the environment.
- 39.2 To the extent it is able, the Board must ensure that such policies as above are complied with in the affairs of the Authority.
- 39.3 The Board must prepare and adopt within six months after the Gazettal of this Charter, a code of conduct to be observed by Directors.

40. BOARD DUTIES TO CONSTITUENT COUNCILS

As a matter of record, Schedule 2, Clause 22 (2) of the Act is that the Board must ensure as far as practicable:

- 40.1 that the Authority observes all plans, targets, structures, systems and practices required or applied to the Authority by the Constituent Councils;
- 40.2 that all information furnished to a Constituent Council is accurate; and
- 40.3 that the Constituent Councils are advised, as soon as practicable, of any material development that affects the financial or operating capacity of the Authority or gives rise to the expectation that the Authority may not be able to meet its debts as and when they fall due.

41. BOARD DUTIES TO THE AUTHORITY

The Board must ensure:

- 41.1 that the Authority acts in accordance with applicable laws, mandatory codes of practice, this Charter, Business Plan, Annual Plan and achieves the financial outcomes projected in its Budget;
- 41.2 that the Authority acts ethically and with integrity;
- 41.3 that the activities of the Authority are conducted efficiently and effectively and that any assets of the Authority are properly managed and maintained; and
- 41.4 that, subject to any overriding duty of confidence, the affairs of the Authority are undertaken in an open and transparent manner.

PART 12—BUSINESS PLANS

42. BUSINESS PLANS

As a matter of record, Schedule 2, Clause 24 of the Act sets out requirements for Business Plans. The following provisions of this Part are in addition to and not in derogation of the requirements of the Act.

43. ABOUT A BUSINESS PLAN

- 43.1 The Board must prepare at least a ten-year **Strategic** Business Plan for the region, in a collaborative manner with Constituent Councils which cannot be in conflict with this Charter.
- 43.2 The Board must also prepare a ten year Long Term Financial Plan (which, must include principles detailing the actual distribution of overheads between the Constituent Councils and any other matter required by the Constituent Councils or determined by the Board to be included therein) and an Asset Management Plan.
- 43.3 The Long Term Financial and Asset Management Plans form part of the Business Plan.
- 43.4 In preparing and when reviewing a Business Plan, the Board must at a minimum have regard to the following:
- 43.4.1 any State Government Agency Waste plan then in force in relation to the area of a Constituent Council and any proposed changes to such plan;
 - 43.4.2 any initiatives proposed by the Commonwealth of Australia or the State Government as may impact upon or affect proper waste management in the area of an individual Constituent Council or Constituent Councils collectively;
 - 43.4.3 any plan or policy of a Constituent Council for waste management then in force, and any proposed changes to such plan or policy;
 - 43.4.4 the strategic management plans of each Constituent Council then in force; and
 - 43.4.5 the annual business plan and budget of each Constituent Council then in force.

PART 13—NON-CORE ACTIVITY**44. ABOUT NON-CORE ACTIVITY**

- 44.1 Where before the date this Charter becomes effective the Authority has committed to a Non-core Activity:
- 44.1.1 a Non-core Plan for that Non-core Activity must be prepared by the Chief Executive Officer and approved by Board resolution no later than 30 June 2013, so far as that Non-core Activity at the time then remains to be performed; and
 - 44.1.2 all the Constituent Councils are taken to be participants in that Non-core Activity with Non-core Shares equal to their Core Shares.
- 44.2 After the date this Charter becomes effective, the Authority must not tender for or commit to a Non-core Activity except in compliance with this Charter.

45. NON-CORE ACTIVITY PROPOSALS

The Chief Executive Officer, the Board or any Constituent Council may propose the Authority adopt a Non-core Plan.

46. NON-CORE ACTIVITY CONSULTATION

A proposer of a draft Non-core Plan must consult all the Constituent Councils in developing the draft.

47. NON-CORE PLAN REQUIREMENTS

A draft Non-core Plan must set out in reasonable detail in relation to the Non-core Activity it concerns:

- 47.1 the kind of service to which it relates;
- 47.2 its priority in relation to other existing or proposed Core Activity and Non-core Activity;
- 47.3 its expected duration;
- 47.4 a timetable for its full implementation;
- 47.5 its anticipated effect on the resources of the Authority (including financial, technological, physical and human resources) and in particular and without limiting the generality of the foregoing:
 - 47.5.1 personnel requirements over time, and how those requirements are to be satisfied;
 - 47.5.2 plant and equipment requirements over time, and how those requirements are to be satisfied;
 - 47.5.3 fuel and other consumables requirements over time, and how those requirements are to be satisfied;
 - 47.5.4 access to weigh-stations, recycling premises, and waste dump premises over time, and how those requirements are to be satisfied;
- 47.6 its anticipated expenditure, revenue and cash-flow outcomes over time (on a calendar monthly basis);
- 47.7 the sources of funds and when those funds need be sourced;
- 47.8 whether and if so what resources of a Constituent Council are required to be available to the Non-core Activity;
- 47.9 whether the Local Government Mutual Liability Scheme has forecast any peculiar liability issues for the Non-core Activity, and the advice given in relation to those liability issues;
- 47.10 whether the lawyers for the Authority have forecast any peculiar legal issues for the Non-core Activity, and the advice given in relation to those legal issues;
- 47.11 whether the auditors of the Authority have forecast any peculiar accounting or audit issues for the Non-core Activity;
- 47.12 governance issues, including whether and what delegations are required;
- 47.13 whether the Non-core Activity is a significant business activity and if so, how adherence to the National Competition Policy will be assured; and
- 47.14 how the Non-core Plan may change over time.

48. CONDITIONS OF ADOPTION OF A NON-CORE PLAN

A Non-core Plan is not effective unless and until all of the following are satisfied:

- 48.1 the Board resolves to adopt the Non-core Plan;

48.2 the Constituent Councils have each resolved to:

48.2.1 approve their Council's participation in the Non-core Activity; and

48.2.2 make any necessary consequential changes to their Council's strategic management plans, annual business plan and budget.

49. NON-CORE PLANS AS PART OF THE BUSINESS PLAN

A Non-core Plan adopted by the Authority forms part of the Business Plan.

50. REVIEW OF A NON-CORE PLAN

As part of a Business Plan, a Non-core Plan is subject to review by the Authority at the same times as the remainder of the Business Plan.

PART 14—ANNUAL PLAN AND BUDGET

51. ANNUAL PLAN

The Authority must, for each financial year, have an Annual Plan which supports and informs its Budget. The Annual Plan must:

51.1 include an outline of the Authority's objectives for the financial year, the activities that the Authority intends to undertake to achieve those objectives and the measures that the Authority intends to use to assess its performance against its objectives over the financial year;

51.2 assess the financial requirements of the Authority for the financial year and, taking those requirements into account, set out a summary of the Authority's proposed operating expenditure, capital expenditure and sources of revenue;

51.3 take into account the objectives set out in the [Strategic Business Plan](#) and, in particular, the Long Term Financial Plan and issues relevant to the management of assets and resources by the Authority;

51.4 set out proposals for the recovery of overheads over the financial year from the Constituent Councils; and

51.5 address or include any other matter prescribed by the Constituent Councils or determined to be relevant by the Board.

52. ABOUT AN ANNUAL PLAN

52.1 An adopted Annual Plan binds the Authority and is the basis upon which the Budget is prepared.

52.2 Before the Authority adopts its Annual Plan it must prepare a draft Annual Plan and obtain the consent of an Absolute Majority of the Constituent Councils to that Plan.

52.3 The Authority must prepare the draft Annual Plan and provide it to the Constituent Councils by a date determined by the Councils for the purpose of obtaining the consent of the Councils on or before 31 May in each financial year.

53. BUDGETS

As a matter of record, Schedule 2, Clause 25 of the Act sets out requirements for Budgets, and the Authority must advise Constituent Councils of the proposed fees for the next financial year by 1 April in the preceding financial year.

54. ABOUT A BUDGET

54.1 An adopted Budget (prepared in a manner consistent with the Annual Plan) binds the Authority and is authority for the Authority to perform work and incur debts and meet obligations according to its own terms without reference back to the Board or to a Constituent Council (except to any extent the Budget or the Annual Plan otherwise requires).

54.2 Each Budget of the Authority must be adopted:

54.2.1 after the Authority has adopted its Annual Plan;

54.2.2 must be consistent with that Plan; and

54.2.3 before 30 June in each financial year.

55. EXPENDITURE OUTSIDE A BUDGET

55.1 As a matter of record, Schedule 2, Clause 25 (4) is that the Authority may incur, for the purpose of genuine emergency or hardship, spending that is not authorised by its Budget without consulting with and seeking approval from the Constituent Councils.

55.2 As a matter of record, Schedule 2, Clause 25 (5) is that the Authority may, in a financial year, after consultation with the Constituent Councils, incur spending before adoption of its Budget for the year, but the spending must be provided for in the appropriate Budget for the year.

PART 15—SHARES

56. ABOUT SHARES

A Share means a Constituent Council's percentage share in the assets, liabilities and revenue of the Authority (after deducting Non-core Assets and Non-core Liabilities) as between all the Constituent Councils in accordance with this Part 15.

To avoid doubt, a third party dealing with the Authority is entitled to have recourse to all the Constituent Councils jointly and severally, regardless of the Shares of the Constituent Councils.

57. VARIATION OF SHARES

57.1 At the date of operation of this Charter the Constituent Councils' shares in the Authority are equal.

57.2 At any time, all the Constituent Councils may in writing agree to vary the Share of one or more of them.

57.3 The Shares must be reviewed and, as necessary, varied each time:

57.3.1 a council is admitted to the Authority as a Constituent Council;

57.3.2 a Constituent Council amalgamates with another council; or

57.3.3 a Constituent Council resigns from the Authority.

~~57.4 Notwithstanding the above, it is recognised and agreed that the Shares will be the Common Fleet percentages that are adopted by the Board in June each year in accordance with the relevant annual plan and budget of the Constituent Councils immediately preceding the date of operation of this Charter are as follows:~~

City of Burnside	18.90%
City of Norwood Payneham and St. Peters	16.93%
Corporation of the Town of Walkerville	3.23%
City of Mitcham	26.24%
City of Campbelltown	19.83%
Adelaide Hills Council	14.87%

~~57.5 It is agreed between the Constituent Councils that the Constituent Councils are liable to contribute to any debts and liabilities of the Authority incurred prior to the date of operation of this Charter (including in relation to the depreciated value of any asset acquired and for any losses under contract entered into before that date) in the Shares set out at Clause 57.4 above.~~

PART 16—FUNDING

58. FUNDING

The Authority may decline to take any action where funds then available to the Authority are in the Board's opinion insufficient to defray the costs of such action and any debt or liability that may result.

59. CONSTITUENT COUNCIL CONTRIBUTIONS TO WORKING CAPITAL

59.1 This Clause applies only to a Core Activity.

59.2 A Constituent Council must contribute to the Authority such amounts at such times as the Budget requires (after deducting from the Budget any amounts identified as Non-core Assets and Non-Core Liabilities).

59.3 If the Budget does not specify a fixed dollar amount to be payable by the Contributor, the Constituent Council may require as a condition of payment that the Authority first provide an itemised estimate of the Core Activity expenditure reasonably expected to be incurred and which that contribution is to defray (after adjustments for payments previously made by that Constituent Council).

59.4 The Authority must use contributions received from a Constituent Council only for the purposes of a Core Activity as set out in the Budget.

59.5 If a Constituent Council (a Defaulter) fails to pay its full contribution so required when due:

59.5.1 the Defaulter must pay to the Authority interest on that amount at the official Reserve Bank Cash Rate Target plus 10% per annum from the due date to the date of actual payment;

59.5.2 the Authority may recover that amount and that interest from the Defaulter as a debt;

59.5.3 the Authority may, without prejudicing its other rights, set off any moneys otherwise payable by the Authority to the Defaulter against that amount and interest; and

59.5.4 if the default continues for at least 14 days:

(a) the Authority must notify all Constituent Councils (including the Defaulter) of the fact and details of the default; and

(b) Constituent Councils other than the Defaulter must together lend to the Authority an amount (equal to the amount not paid by the Defaulter) in such proportions as they may agree or failing agreement between themselves, in the proportion that their Share bears to the total Shares held by those Constituent Councils making such loan, for repayment when and to the extent the Defaulter makes good the contribution and accrued interest.

60. DEBT FUNDING

The Authority may borrow or raise money from the Local Government Finance Authority or a bank of such amount(s) as provided for in a Business Plan and Budget approved by the Constituent Councils.

61. DISTRIBUTIONS TO CONSTITUENT COUNCILS

~~61.1 The Authority must pay or credit operating surplus funds to the Constituent Councils in proportion to the common fleet collection percentages of the corresponding year their Shares (see clause 57.4) to the extent the Board determines the Authority can afford to pay having regard to future expenditure the Business Plan anticipates be incurred.~~

~~61.2 Consistent with Clause 61.1 above, in the event of the Authority needing to fund an operating shortfall or loss, Constituent Councils will be charged in proportion to the common fleet collection percentages of the corresponding year.~~

62. CONTRIBUTIONS ON INSOLVENCY

On the insolvency of the Authority, and subject to Clause 57 of this Charter, each Constituent Council must contribute in proportion to their Share to the debts and liabilities of the Authority and otherwise as incurred while the Constituent Council is a Constituent Council.

PART 17—ASSETS

63. ACQUISITION OF ASSETS

The Authority may in accordance with this Charter acquire such assets (real or personal) as its Business Plan provides or otherwise pursuant to a Unanimous Decision of the Constituent Councils.

64. DISPOSAL OF ASSETS

The Authority may dispose of (personal) assets as its Business Plan provides, or at the end of the asset's economic life.

65. INVESTMENTS

In accordance with its Business Plan and Budget the Authority may invest in the items below:

65.1 in waste management infrastructure and ancillary land;

65.2 in plant and equipment to store, transfer and/or treat waste;

65.3 in plant and equipment to transport waste from properties to an appropriate place of storage and/or disposal; and

65.4 cash on interest-bearing deposit with any bank

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66. INTERESTS IN COMPANIES

As a matter of record, Schedule 2, Clause 39 of the Act prohibits the Authority from having an interest in most companies.

PART 18—INSURANCE**67. INSURANCE**

67.1 The Authority must register with the Local Government Association Mutual Liability Scheme and comply with the rules of that Scheme.

67.2 If the Authority employs any person, it must register with the Local Government Superannuation Scheme and the Local Government Association Workers Compensation Scheme and comply with the rules of those Schemes.

PART 19—FINANCIAL PRACTICES**68. ACCOUNTING RECORDS**

The Authority must comply with Section 124 of the Act as if the Authority were a council.

69. ABOUT ACCOUNTING FOR SERVICES

The Authority must keep accounting records in relation to services in such manner as will enable the calculation of Constituent Councils' contributions to, expenditure on and revenue from that service separately.

70. OTHER FINANCIAL PRACTICES

Except as may be stated elsewhere in this Charter or required by law, there are no special accounting, internal auditing or financial systems or practices to be established or observed by the Authority.

PART 20—ACCESS TO INFORMATION**71. ACCESS TO RECORDS**

A Constituent Council and a Director each has a right to inspect and take copies of the books and records of the Authority for any proper purpose.

72. PROVISION OF INFORMATION

As a matter of record Schedule 2, Clause 27 of the Act entitles each Constituent Council to be furnished with information or records of the Authority.

73. BOARD REPORTS

The Authority must provide Board reports to the Directors and Constituent Councils in accordance with this Charter and otherwise at such times, in such format and with such content as the Board may determine.

74. ANNUAL REPORTS

74.1 As a matter of record, Schedule 2, Clause 28 of the Act requires the Authority to furnish an annual report to the Constituent Councils.

74.2 The annual report will be in such format and include such content as the Constituent Councils may prescribe by Absolute Majority.

74.3 The annual report must be delivered to the Councils on or before 30 September in each year subsequent to the financial year to which the report relates.

PART 21—DISPUTE RESOLUTION**75. DISPUTE RESOLUTION****75.1 About this clause:**

75.1.1 The procedure in this Clause must be applied to any dispute that arises between the Authority and a Constituent Council concerning the affairs of the Authority, or between Constituent Councils concerning the affairs of the Authority, including a dispute as to the meaning or effect of this Charter and whether the dispute concerns a claim in common law, equity or under statute.

75.1.2 The Authority and a Constituent Council must continue to observe and perform this Charter despite the application or operation of this clause.

75.1.3 This Clause does not prejudice the right of a party:

(a) to require the continuing observance and performance of this Charter by all parties; or

(b) to institute proceedings to enforce payment due under this Charter or to seek injunctive relief to prevent immediate and irreparable harm.

75.1.4 Pending completion of the procedure set out in this clause, and subject to this clause, a dispute must not be the subject of legal proceedings between any of the parties in dispute. If legal proceedings are initiated or continued in breach of this provision, a party to the dispute is entitled to apply for and be granted an order of the court adjourning those proceedings pending completion of the procedure set out in this clause.

75.2 **Step 1: Notice of dispute:** A party to the dispute must promptly notify each other party to the dispute:

75.2.1 the nature of the dispute, giving reasonable details;

75.2.2 what action (if any) the party giving notice thinks will resolve the dispute; and but a failure to give such notice does not entitle any other party to damages.

75.3 **Step 2: Meeting of the parties:** A party to the dispute who complies with the previous step may at the same or a later time notify each other party to the dispute that the first party requires a meeting within 14 business days after the giving of such notice. In that case, each party to the dispute must send to the meeting a senior manager of that party with the Board to resolve the dispute and at the meeting make a good faith attempt to resolve the dispute.

75.4 **Step 3: Mediation:** Despite whether any previous step was taken, a dispute not resolved within 30 days must be referred to mediation, as to which:

75.4.1 the mediator must be a person agreed by the parties in dispute or, if they cannot agree within 14 business days, a mediator nominated by the then President of the South Australian Bar Association (or equivalent officer of any successor organisation);

- 75.4.2 the role of a mediator is to assist in negotiating a resolution of a dispute. A mediator may not make a decision binding on a party unless that party has so agreed in writing;
- 75.4.3 the mediation must take place in a location in Adelaide agreed by the parties;
- 75.4.4 a party in dispute must co-operate in arranging and expediting mediation;
- 75.4.5 a party in dispute must send to the mediation a senior manager with authority to resolve the dispute;
- 75.4.6 the mediator may exclude lawyers acting for the parties in dispute and may co-opt expert assistance as the mediator thinks fit;
- 75.4.7 a party in dispute may withdraw from mediation if there is reason to believe the mediator is not acting in confidence, or with good faith or is acting for a purpose other than resolving the dispute;
- 75.4.8 unless otherwise agreed in writing:
 - (a) everything that occurs before the mediator is in confidence and in closed session;
 - (b) discussions (including admissions and concessions) are without prejudice and may not be called into evidence in any subsequent litigation by a party;
 - (c) documents brought into existence specifically for the purpose of the mediation may not be admitted in evidence in any subsequent legal proceedings by a party;
 - (d) the parties in dispute must report back to the mediator within 14 business days on actions taken, based on the outcome of the mediation;
- 75.4.9 a party in dispute need not spend more than one day in mediation for a matter under dispute;
- 75.4.10 a party in dispute must bear an equal share of the costs and expenses of the mediator and otherwise bears their own costs.
- 75.5 **Step 4: Arbitration:** Despite whether any previous step was taken, a dispute not resolved within 60 days must be referred to arbitration, as to which:
 - 75.5.1 there must be only one arbitrator and who is a natural person agreed by the parties or, if they cannot agree within 14 business days, an arbitrator nominated by the then Chairperson of The Institute of Arbitrators and Mediators Australia (South Australian Chapter);
 - 75.5.2 the role of the arbitrator is to resolve the dispute and make decisions binding on the parties;
 - 75.5.3 the arbitration must take place in an agreed location in Adelaide;
 - 75.5.4 a party must co-operate in arranging and expediting arbitration;
 - 75.5.5 a party must send to the arbitration a senior manager with authority to resolve the dispute;
 - 75.5.6 the parties may provide evidence and given written and verbal submissions to the arbitrator within the time set by the arbitrator;
 - 75.5.7 the arbitrator must:
 - (a) consider the evidence and submissions;
 - (b) decide the dispute; and
 - (c) give written reasons to each party;
 - 75.5.8 subject to this clause, the arbitration must take place under Rules 5 to 18 (inclusive) of the Rules of The Institute of Arbitrators and Mediators for the Conduct of Commercial Arbitrations and the provisions of the Commercial Arbitration Act 1986 (S.A.) and which Rules are taken to be incorporated by reference into this clause or subject to this clause, the arbitrator must fix the rules of arbitration;
 - 75.5.9 the costs and expenses of the arbitrator and of each party must be borne as the arbitrator decides.

PART 22—WINDING UP

76. WINDING UP

The Authority may be wound up in circumstances as Schedule 2, Clause 33 (1) of the Act allows or requires.

77. DISTRIBUTION OF ASSETS AND LIABILITIES ON WINDING UP

In the event the Authority commences to wind up and except to any extent the Board unanimously determines otherwise, the Authority must divide among the Constituent Councils in kind all of the Authority's assets and liabilities in proportion to their Shares or as otherwise agreed by Unanimous Decision of the Constituent Councils.

PART 23—COMMITTEES

78. COMMITTEES

- 78.1 The Board may establish a committee of Directors for the purpose of enquiring into and reporting to the Board on any matter within the Authority's functions and powers and as detailed in the terms of reference given by the Board to the committee.
- 78.2 A member of a committee established under this Clause holds office at the pleasure of the Board.
- 78.3 The Board may establish advisory committees consisting of or including persons who are not Directors for enquiring into and reporting to the Board on any matter within the Authority's functions and powers and as detailed in the terms of reference which must be given by the Board to the advisory committee.
- 78.4 A member of an advisory committee established under this Clause holds office at the pleasure of the Board.

PART 24—OTHER MATTERS

79. EXECUTION OF DOCUMENTS

The Chief Executive Officer must maintain a register of use of the Common Seal. As a matter of record, Schedule 2, Clause 37 of the Act governs the execution of documents by the Authority.

80. PRINCIPAL OFFICE

The Authority's principal office is at 1 Temple Court, Ottoway, S.A. 5013 or as the Board may determine otherwise.

81. SERVICE OF DOCUMENTS

A document to be given by the Authority to a Constituent Council, or by a Constituent Council to the Authority may be given in a manner Section 280 of the Act permits. A written notice given by the Authority to a Constituent Council must be marked, 'Attention: Chief Executive Officer'.

82. CIRCUMSTANCES NOT PROVIDED FOR

If any circumstances arise about which this Charter is silent, incapable of taking effect or being implemented according to its terms, the Board may consider the circumstances and determine the action to be taken.

The undersigned (being each Council specified in the Charter) agree to the above as the charter of the Authority.

SHANE RAYMOND, Manager, Corporate Services, East Waste

7.3: REVIEW OF EAST WASTE BUSINESS CONTINUITY PLAN

REPORT AUTHOR: Manager, Corporate Services

ATTACHMENTS: A: East Waste Business Continuity Framework and Plan

Purpose of the Report

To seek the Audit and Risk Management Committees input into the review of East Waste's Business Continuity Framework and Plan (BCP).

Background

In accordance with East Waste's Business Continuity Policy and the BCP itself, the BCP is to be reviewed on an annual basis.

Report

As would be expected, East Waste's BCP has been a document that has and is being frequently referred to by East Waste staff during the current COVID-19 environment. Of importance, East Waste has been working to, reviewing and actioning the BCP toolkit and action plan that supports the BCP in its response to the Coronavirus impact. The toolkit is not tabled for review, as it is an operational document that supports the BCP, but I can report that the BCP and toolkit are supporting East Waste and its staff very well at this time.

The BCP, as presented at Attachment A, is tabled for review of the Audit and Risk Management Committee (the Committee). The Committee will note that minimal amendments have been proposed, as East Waste Administration are of the view that the BCP in its current form, is working well for the organisation.

Recommendation

That the Committee recommend Attachment A, as amended, to the East Waste Board for endorsement.

East Waste - Business Continuity Framework and Plan

Issue Date: draft June 2015

Corinne Garrett, UHY Haines Norton

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Abbreviations and Definitions

Term	Definition
Business Continuity	Is the uninterrupted availability of all key resources supporting essential business functions
Business Continuity Control Centre	A central point of reference to co-ordinate the response to a business interruption event. To be established at the discretion of the CMT Director
Business Continuity Management	Provides for the availability of processes and resources in order to ensure the continued achievement of critical objectives
Business Continuity Plan(s) (BCP)	A collection of procedures and information that is developed, compiled and maintained in readiness for use in the event of a business interruption
Business Process Assessment	A management tool designed to assist in the identification and assessment of criticality of business processes and functions
Business Impact Analysis	A management level analysis which identifies the impacts of function loss on the organisation. The BIA provides management with data upon which to base risk mitigation and continuity planning decisions
Business Interruption Event (BIE)	An event that by its duration exceeds the Maximum Acceptable Outage and /or has an adverse impact on business objectives and requires the implementation of the BCP or sub plans.
Non Critical Function Action Plan	An agreed documented course of action that identifies mitigation, response and recovery actions for business functions identified as non-critical
Critical Function Sub Plan	An agreed documented course of actions to be taken in the event of business function loss. Plan describes the key actions required under preparation
Continuity Management Team (CMT)	An assembly of executive management representatives and other seconded staff formed for the express purpose of responding to an organisational crisis. CMT management structure will overlay all normal management structures during the response process
Emergency Event	An event due to an actual or imminent occurrence (such as a fire, earthquake, or epidemic which: <ul style="list-style-type: none"> • Endangers or threatens to endanger the safety or health of staff or visitors to the organisation • Destroys or damages, or threatens to destroy or damage property of the organisation • Has the capacity to disrupt operations to the extent that it impact on business objectives
Maximum Acceptable Outage (MAO)	The maximum period of time that East Waste can tolerate the loss of capability of a critical business function, process, asset or IT application
Corporate Governance	A system by which the organisation is directed and controlled. Corporate Governance activities are represented as four principal components: direction, executive action, supervision and accountability
Risk Management	The culture, processes and structures that are directed towards realising potential opportunities whilst managing adverse effects

Introduction

Purpose

The purpose of business continuity management is the development, implementation and maintenance of policies, frameworks and programs to assist East Waste to manage a business disruption and build organisational resilience. Resilience is the capacity that assists in preventing, preparing for, responding to, management and recovering from the impacts of a disruptive event.

The plan identifies the required facilities, technical infrastructure, key responsibilities, agreements and processes that will be required to position East Waste to be able to respond and recover from a business interruption event.

Business continuity is initiated when an event occurs that has a significant business disruption consequence. These disruptive events may be low frequency, but they may have severe consequences for East Waste.

Benefits and Costs

The benefits to East Waste of having an effective business continuity management program may include:

- Continued delivery of services to clients in the event of a business disruption
- The ability to identify the consequences of a business disruption
- Having in place effective responses to a business disruption which minimises damage to East Waste.
- Reduced costs of operating during a business disruption, and more cost effective recovery.
- Management of uninsurable risks, and compliance with insurance policies
- Compliance with regulatory requirements (where applicable)
- Enhancing East Waste's reputation by demonstrating to stakeholders a credible response
- Improved efficiency and effectiveness of business-as-usual operations
- The ability to use negative events as opportunities to improve business operations
- Identifying key independencies that may not have otherwise been apparent
- Building resilience that facilitates managing and recovering from a business disruption event.

When determining business continuity strategy, it is important to consider the costs as well as the benefits of potential continuity treatments.

Usually, the lower the maximum tolerable period of disruption, the more costly and complex the recovery treatment is likely to be. This is particularly true when the recovery of technology is involved. It is important to be realistic in the recovery requirements required.

Lifecycle

Business continuity does not have an exact start and end; it is a continuous process that will require review to keep the plan up to date and relevant.

Objectives

The objectives of the East Waste Business Continuity Plan (BCP) are to provide a mechanism that enables the Authority and its officers to:

- Identify business functions that are critical to East Waste in meeting its business objectives
- Develop resumption plans based on criticality of business functions
- Build resilience within the Authority's operational framework
- Identify and document roles and responsibilities for key staff positions
- Minimise the impact of function loss on stakeholders and the community.

The Business Continuity Plan provides a framework for management and staff to enable them to implement an agreed response process.

Use of the BCP

This plan should be used in the event of a business interruption event that may impact on the ability of East Waste to deliver business objectives. Managers and staff with responsibility for impacted areas of the business should use the BCP and any relevant sub plans to ensure a consistent and agreed course of action is implemented.

Business Continuity Kit

The Business Continuity Kit is a sub document of the BCP and contains specific details required to enact the BCP and will be kept up to date as information changes.

Use of other plans

A business interruption event may also require East Waste to enact their **Workplace Emergency and Evacuation Plan**. If multiple levels of response may be required, planning needs to consider and provide guidance to staff on formally activating the business continuity plan and when to move from an emergency management response to a business continuity response.

Assumptions

The BCP is intended to provide guidance to East Waste's officers to assist continuity of service for critical functions where those officers are not normally responsible for managing the specific function affected. Where the Authority's officer who is normally responsible for managing the specific function is available, it is assumed that this document will service as a check document to reduce the possibility for omission of important actions.

Limitations

It is not the intent of this document or process to develop an **Information Technology Disaster Recovery Plan (ITDR)**. This process will however identify, from a business perspective, what the business requirements are for Information Technology resources to support the delivery of business critical function. This information should be used to inform the development of ITDR plans. It should also be acknowledged that East waste has a contract to manage the ICT infrastructure, so it is important that there is ongoing engagement with this contractor with regard to IT Disaster recovery and assurance that there is integration between the IT Disaster Recovery Plan and BCP management.

The BCP does not cover emergencies. East Waste has a **Workplace Emergency and Evacuation Plan** for this purpose.

Audience – Distribution

The intended audience for the East Waste Business Continuity Plan is:

- The Board
- Executive Team
- Critical Function Sub Plan Managers and Staff
- Non Critical Function Action Plan Managers and Staff

The plan is to be available to all Managers and staff and is to be reviewed annually by the executive.

Authority

- The East Waste Business Continuity Plan has been developed under the authority of the Board. Prior to implementation, the plan was reviewed and approved by that body.
- A standing authority is given to the Sub-Plan owners by the Executive Officer to implement the actions identified within the sub plans.
- Authorisations, both financial and legal delegations include authorisations for Business Interruption Events.

Training and Communication

The key objective of the BCP is to increase the awareness within East Waste of potential business interruption events that could impact the Authority. The plan outlines the response/ recovery protocols associated with such an event. Training and communication will play a key role in achieving this objective.

The management and other key staff have been involved in the development of the BCP. It will be the responsibility of the Executive Officer to ensure that the requirements of the BCP are communicated to all staff and that induction / training programs include reference to business continuity in the context of sound risk management practices.

Managers should be familiar with key deliverables as detailed in the Critical Function Sub Plans and ensure that staff are aware of their roles and responsibilities in the event of a business interruption event.

Validation and Testing

Business Continuity Management is a process, not an event. Once the BCP has been prepared, commitment to a pre-planned, annual test plan and maintenance schedule is required by East Waste to ensure BCP procedures remain viable into the future.

Testing should include all aspects of the BCP, but not necessarily all in one year. Major components (Sub Plans) should be reviewed at least every two (2) years~~annually~~. Volatile information such as the Business Continuity Kit should be validated more frequently.

In addition to the annual test and review of the BCP, any significant changes in the operations of East Waste should also trigger a review of the BCP. Version control of the BCP should be coordinated through the CMT-Coordinator.

Monitor & Review

Monitoring and review is an integral component of the BCP process. East Waste recognises and is committed to ensure the following monitoring and review strategy is implemented:

	Activity for Review	Accountability	Timeframe
1	Business Continuity Plan (overarching plan)	Senior Management Team/CMT	Monitor annually and action as required
2	Business Continuity Plan Training		Annual training brief or refresher sessions
3	Business Continuity Plan Exercise		Annual desk top exercise Simulation exercise every 2 years
	Administration	Accountability	Timeframe
4	Business Continuity Kit	Senior Management Team/CMT	Update as changes occur Annual Review overall
4a	Critical Function Sub Plans		Annual Review
4b	Non Critical Function Action Plans		Annual Review

Methodology and Processes Undertaken

Business continuity covers the identification and risk management of East Waste's business processes. The plan has been developed with consideration given to AS/NZS 5050:2010 Business continuity – Managing disruption-related risk, AS/NZS/ISO 3100:2018 Risk Management – Principles and Guidelines.

Critical Business Processes

An important component of the BCP is the determination of the critical business processes that are required for East Waste to continue to deliver services in a Business Interruption Event (BIE).

Critical business processes are ranked in order of their importance to East Waste. The ranking reflects the importance of the business process to achieving business objectives. When ranking, the following are considered:

- Failure to meet statutory obligations for service delivery
- Failure to meet key stakeholder expectations
- Loss of cash flows essential to business operations
- Degree of dependency on business processes by internal business units or clients
- Cumulative damage to East Waste by the disruption to the critical process and
- Reputational consequences

The following critical business processes have been identified:

1. Office Accommodation & Facilities
2. Depot Accommodation & Facilities
3. Communication and Information Technology
4. Payroll
5. Waste Collection – critical for service delivery:
 - a. Goods and services

- b. Staff
 - c. Plant and Equipment
- 6. Accounts Payable
- 7. Accounts Receivable
- 8. Getting back to normal ongoing function.

The Business Continuity Kit details the above processes, the maximum outage that is acceptable and the resources required to re-commence those processes. The loss of a critical business function for a period greater than the maximum outage will generally result in the establishment of the Continuity Management Team to direct, oversee and support the emergency, continuity and recovery response phase.

Risk Management

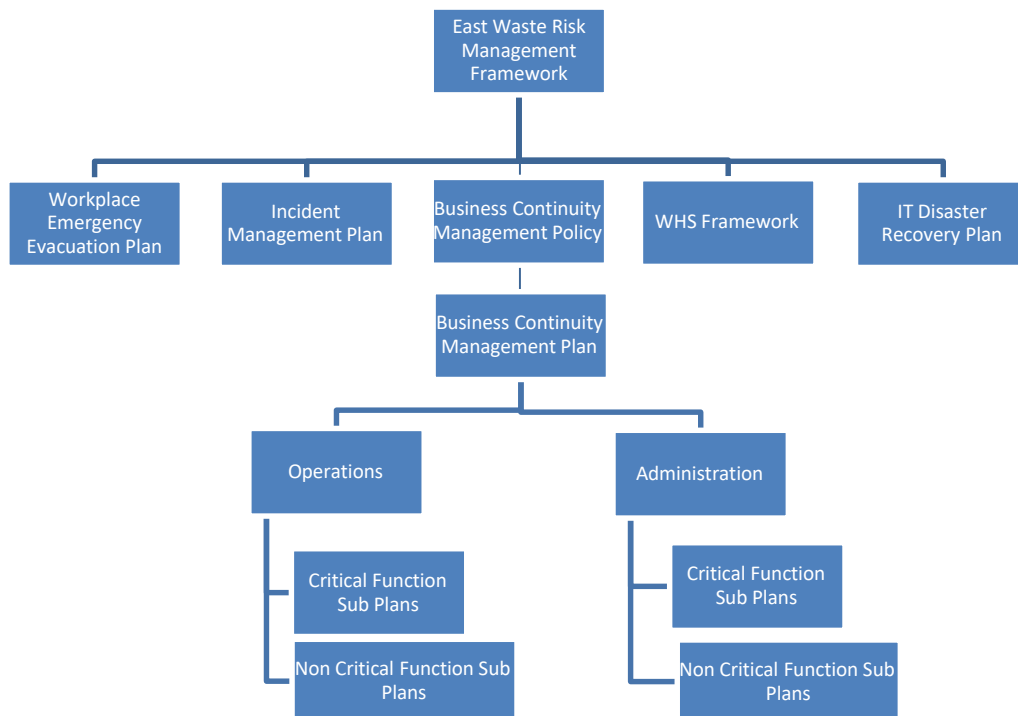
All entities face a variety of risks. Managing risks requires a structured, systematic process to identify and treat risks and implement appropriate controls (risk treatments) that act to reduce the likelihood of disruptive events occurring. There is no such thing as 'no risk' and controls won't guarantee that disruptive events will not occur.

It is important that controls are designed and implemented with ongoing review that will be used to mitigate the likelihood that disruptive events occur and controls that will operate once such an event has occurred.

East Waste has developed a Risk Management Framework. This framework covers the following areas and should be understood in conjunction with this Business Continuity Plan:

- Risk Appetite
- Risk Assessment
- Risk Identification
- Risk Analysis
- Risk Evaluation
- Risk Treatment

Risk Management Framework



Emergency Response Management

Emergency response management is the activity that takes place immediately after an incident has occurred. The primary concern of the emergency response is the safety of people. During an incident, emergency response may include evacuation of a building, liaison with emergency services, initial assessment of damage and implications for East Waste.

An example of emergency response management would be a fire in the administration building which requires evacuation.

This is different to a community emergency response where East Waste is involved in the impact of an emergency on the community such as bushfires that require changes to waste collection operations, and additional waste collection services.

East Waste has developed a Workplace Emergency and Evacuation Plan which covers the following areas:

- Fire Alarm
- Site Plan
- Reporting an Emergency
- Evacuation
- Media Liaison Policy
- Notification
- Shutdown
- Termination of Emergency

- Preservation of Scene
- Counselling
- De-Brief

In particular the Workplace Emergency and Evacuation Plan covers the following incidents:

- Armed Hold-up
- Extreme Weather – Heat
- Fire – Building
- Medical Emergency
- Pandemic Illness
- Sexual Assault
- Vehicle or Plant Incident

It is important to annually review both the Emergency Response Management and the Business Continuity Plan together to ensure that common information remains consistent.

Business Continuity Approach

A business continuity system works to minimise the effects of disruptions to critical business processes. Minimising the effects of business disruptions involves:

- Identifying and evaluating options to minimise the effects of a business disruption and
- Selecting alternative activities and resources.

Identifying and evaluating options to minimise the effects of a business disruption

For each critical business process identified, options are needed to:

- Reduce the likelihood and consequence of the disruption occurring.
- Implement alternative activities and resources to be used following a business disruption and activate plans to recover and restore to normal operations.

In selecting alternative activities and /or resources the following need to be considered:

- People
- Facilities (buildings and equipment)
- Technology (including IT systems/applications)
- Telecommunications and
- Vital records.

People

People, including contract personnel are a vital resource in ensuring continuity of East Waste's operations. An unexpected loss of key/experienced personnel or a team would have a significant consequence for East Waste's capacity to achieve its objectives.

The Business Continuity approach includes the following:

- Communication strategies, communication channels and messages for different groups such as continuity team members, other East Waste staff, external stakeholders and the general public.
- Human resource issues include:
 - Short-term placements and training
 - Sustained reduced staff capacity disruptions
 - Employee payroll
- Issues relating to specific business disruption and
- The psychological effects of the disruption on staff morale – this may include trauma counselling for staff both during and after the event.

Treatment options for people

Treatment	Description
Succession Plans	Plan of action to replace key staff if they are unavailable. May include identifying understudies in East Waste, or agreements with professional contracting agencies or with other entities (such as Councils) to source qualified staff at short notice.
Skills management plans	For identified understudies, key information and corporate knowledge is available so they can assume a new role with as little lead-time for learning as possible.
Key person insurance	Insure against the financial consequences of loss of key staff. This may recover costs associated with loss of key staff but it is only a solution to the symptom of losing staff – proactive staff management practices are preferable. (Local Government Risk Income Protection Insurance – may be a possible solution)

Facilities (including buildings and equipment)

It is very useful to have prepared processes and treatments for assessing damage, salvage and restoration of equipment and buildings. These processes can assist in timely restoration or relocation of critical business processes to continue essential business services. Where relocated accommodation is to be provided by a third party, the treatment plan needs to include a regular communication schedule with the provider, to ensure that facilities are still available when required.

Issues to consider include:

- Arrangements and procedures for relocating facilities
- Provision of backup processing services
- Agreements and activities required to transfer functions
- Administrative details such as spare IT equipment, cheque printing, stationery, paper manuals, access to key procedures and contracts, and storage of spare keys to access offsite material and
- Documented procedures to support business facility recovery and restoration.

Remote Access

Remote access and mobile electronic devices form part of day-to-day operations. Remote access and mobile devices can assist in business continuity and sustain critical business processes or functions from a remote location for an extended period of time. Uses may include:

- Alternative offices or a disaster recovery site
- Field staff operating via mobile communication devices

- An employee's home environment or
- Conference facilities.

Variables that can affect the resilience and availability of remote access strategies in a prolonged emergency may include;

- Network congestion caused by increased use of telecommunications and internet services during a prolonged emergency or
- Possible failure of infrastructure due to lack of maintenance or damage

Technology (IT systems/applications)

Information systems manage East Waste's physical records, i.e. correspondence, project and management files, and electronic records such as email and electronic documents. Treatments that deal with the continuity of technology can include:

- Preventative controls such as robust systems and application design, fault-tolerant hardware, uninterruptible power supplies and monitoring facilities
- Use of secure and fire-proof in-house storage facilities
- Agreements and activities required to transfer processing to other locations
- Provision for backup processing facilities (electronic and manual)
- Off-site storage of data
- Ability of vendors to supply equipment if East Waste does not hold spares or the equipment is rendered unavailable due to the crisis/incident and
- Continuity of protection of confidential information
- Outsourcing IT operations so no or little is kept on site.

Treatment options for Facilities, telecommunications and systems

Treatment	Description
Purchase or lease	Pay for extra office space, IT Infrastructure, redundant capacity communications
Contingency arrangements	Enter into an agreement with an outside vendor to provide service in the event of a business disruption
Mutually beneficial agreements	Enter into an agreement with another entity (such as a council) to use part of their facilities in the event of a disaster.

Telecommunications

Continuity approaches include treatments that address recovery from loss or disruption of voice and data communications.

Treatments that deal with communication continuity can include:

- Human resource procedures and administration to support the business function
- Vendor and carrier negotiations in which contractual or service level agreements are made with telecommunication vendors

- Alternative path design and switching services redundancy being built into communication networks which enable communications to be diverted to other locations if, and when, necessary.
- Backup equipment and software which includes backup of data, network software and acquiring necessary redundant equipment
- Uninterruptible power supplies and monitoring facilities which help prevent system loss during power failures.
- Generators for alternative emergency power.

Vital Records

Vital records need to be identified. Restoring vital records requires that a suitable records management program is in place. This includes the management of hardcopy and electronic records data and archiving policies for both forms of records.

Continuity issues in record management extend beyond just keeping business processes in place. Record management has long-term implications for East Waste and continuity strategy considerations include:

- Legal requirements
- Adverse effects on reputation through inability to deliver information
- Inefficiency across all processes in locating and utilising information
- Stakeholder dissatisfaction
- Political ramifications of non-delivery of a service or information
- Decision making process which will be affected

Interdependencies

Internal

A business disruption may affect more than one business process so the treatments developed for each critical process needs to be considered and ultimately combined into a total plan.

Treatment options for business processes

Treatment	Description
Alter current arrangements	Current processes and resources can be changed as a cost-effective solution.
Alter current processes	Service providers may be willing to give a guaranteed level of service in a disaster situation to enable restoration of resources at a reasonable cost.

Steps to Business Continuity Planning

Characteristic	Basic aspects of a Business Continuity Plan	Mature aspects of a Business Continuity Plan
Business Continuity Plan is in place	<ul style="list-style-type: none"> Accountability and Responsibility for key areas have been defined Clearly defined and approved management processes Business impact analysis Roles, tasks and responsibilities of internal and external providers has been determined The plan links with the Risk Management Framework There is a policy for testing and exercising business continuity 	<ul style="list-style-type: none"> A register of changes to the business continuity plan is kept The plan is periodically updated to reflect and respond to changes in East Waste and to customer requirements
Training and awareness of business continuity has been conducted	<ul style="list-style-type: none"> Response recovery team members have received training All staff received training or were required to attend an awareness session at the time when the initial plan was implemented. 	<ul style="list-style-type: none"> Induction process require attendance at an awareness session on risk management, incorporating business continuity Staff are trained on business continuity plans and IT disaster recovery plans There is an awareness program to advise staff of the board nature of business continuity
Risk assessments have been conducted	<ul style="list-style-type: none"> A risk assessment for each core business function and IT service has been undertaken to identify the assets, threats, vulnerabilities and controls in place for each activity 	<ul style="list-style-type: none"> There is a direct link between East Waste's risk management and business continuity management processes and activities Disruption scenarios, to which East Waste may be vulnerable, including the effect of interdependencies with third parties/suppliers, have been identified and prioritised. East Waste has scheduled recurring risk assessments and business impact analysis
A business Impact analysis has been conducted	<ul style="list-style-type: none"> Recovery objectives and priorities for business and technology have been established and there is justification for each Interdependencies of processes have been identified 	<ul style="list-style-type: none"> Critical resources, facilities, equipment, vital records, data and infrastructure have been identified and catalogued.
Preparatory controls have been implemented	<ul style="list-style-type: none"> The continuity strategies that been meet East Waste's needs have been implemented based on a cost-benefit analysis 	<ul style="list-style-type: none"> Costs and benefits are re-assessed on a periodic basis.
The business continuity plan has been documented and endorsed	<ul style="list-style-type: none"> The plan is documented and endorsed The plan is up-to-date 	<ul style="list-style-type: none"> Response, recovery and restoration procedures are documented, approved by senior management and communicated to staff There is pandemic planning There is IT disaster recovery planning

Characteristic	Basic aspects of a Business Continuity Plan	Mature aspects of a Business Continuity Plan
Business continuity testing and exercises have been conducted	<ul style="list-style-type: none"> • Testing and exercising of certain scenarios has occurred 	<ul style="list-style-type: none"> • Validation and regular testing of continuity strategies occurs • The testing and exercising for recovery are documented • Critical business processes have been tested and exercised • there has been a range of test and exercise options used and actual data or real-world conditions have been used • Plans are updated and revised following testing and exercising.
Business continuity is monitored	<ul style="list-style-type: none"> • An internal audit or external review of the implemented framework has been undertaken 	<ul style="list-style-type: none"> • Compliance with the business continuity plan is periodically reviewed.

Business Impact Analysis

A business impact analysis determines and documents the impact of a business disruption event to each critical business process. It considers disruptions to the activities and resources that support the critical business process. The following issues have been assessed for the identified critical business processes and are included in the Business Continuity Kit.

Maximum tolerable period of disruption

How long can the critical business process survive without the activity and/or resource before it will have a detrimental effect?

Recovery time objective

The recovery time objective is the target time period set for resumption of product or service delivery, recovery of an IT system or application, or resumption of performance of an activity after a business disruption.

If recovery time is greater than the maximum tolerable period of disruption, then a manual or alternative process needs to be designed/organised.

Where critical business processes are outsourced, or East Waste relies on activities that have been outsourced, the maximum tolerable period of disruption and recovery time of the outsourced process also needs to be assessed.

The recovery point objective

This is particularly relevant for IT and is where it is determined as to what point of time prior to the business disruption, should the data be restored to, (i.e. one hour earlier, one day or one week). This determines that backup strategy and also will impact on the recovery period that may involve re-inputting data that has been lost since the recovery point.

Disruption Scenarios

The scenarios that may create disruption need to be identified and assessed as to the effect on operations. Business continuity is concerned with the actions that need to occur after an event in order to get back to business, however considering what those scenarios might be might help with continuity preparations and responses.

Disruption Scenarios

The following scenarios have been considered that could lead to a Business Interruption Event:

- Natural hazards
 - Fire
 - Flood
 - Pandemic
- Generic
 - Loss of building
 - Loss of people
 - Loss of IT systems
 - Loss of telecommunications
 - Loss of fuel, water, electricity, gas, sewage

Business Continuity assurance from external suppliers

Critical external suppliers have been identified and contracts will be reviewed to include any special arrangements required in a Business Interruption Event. Critical suppliers are detailed in the Business Continuity Kit.

Business Continuity Management Roles and Responsibilities

Role	Managing the business continuity program	In the event of a business disruption
Committee responsible for overseeing business continuity management	<ul style="list-style-type: none"> • Ensure governance framework supports business continuity. • Ensure approach to risk management supports strategic goals of the entity. • Provide overall direction and drive for the business continuity program. • Monitor performance and compliance of business continuity program. • Establish milestones and performance reporting requirements. • Authorise new versions of the business continuity plan. • Approve the test and exercise schedule and scenarios. • Approve budget to support business continuity activities. • Provide resources to ensure business continuity management is an ongoing program, integrated with other corporate management processes. 	Review post incident /exercise review reports, and impact of any proposed revisions of the business continuity plan.

Role	Managing the business continuity program	In the event of a business disruption
Executive Officer	<ul style="list-style-type: none"> • Sponsor the business continuity program. • Maintain awareness of business continuity management, and receive business continuity management training. • Contribute to business continuity awareness raising in the entity. • Participate in business continuity testing and exercising. • Appropriately resource the business continuity function. • Endorse a business continuity management policy. • Endorse key business continuity documents such as the business impact analysis and business continuity plan. 	<ul style="list-style-type: none"> • Brief Chair and Board on the disruption, expected consequences and recovery timeframe. • Provide a focal point for the entity to ensure the public and media receive correct non-contradictory, information. • Ensure staff and stakeholders are made aware of the problems. • Ensure the Recovery Coordinator and Recovery Teams have the resources and support necessary to do their job.
Incident Manager	<ul style="list-style-type: none"> • Contribute to the development and review of the business impact analysis. • Contribute to the development and update of the business continuity plan—particularly for contact details. • Participate in tests and exercises of the business continuity plan. • Receive training on their specific role, as well as good practice in business continuity management generally. 	<ul style="list-style-type: none"> • Decision to declare a business disruption event. • Decision to activate the incident management plan. • Decision to activate the business continuity plan. • Activate the command center. • Lead and project manage the incident management team. • Determine the recovery strategy for the given situation.
Emergency Response Manager	<ul style="list-style-type: none"> • Contribute to the development and review of the business impact analysis. • Contribute to the development and update of the business continuity plan—particularly for contact details. • Participate in tests and exercises of the business continuity plan. • Receive training on their specific role, as well as good practice in business continuity management generally. 	<ul style="list-style-type: none"> • Assess the extent of damage to building, facilities and equipment • Report to the Incident Manager (and Executive Officer and/or board if necessary). • Decision to activate the emergency response management plan. • Lead and project manage the emergency response management team.

Role	Managing the business continuity program	In the event of a business disruption
Recovery Coordinator / Business Continuity Custodian.	<ul style="list-style-type: none"> • Day-to-day implementation and coordination of business continuity management tasks. • Contribute to the development and review of the business impact analysis. • Prepare and update the business continuity plan. • Maintain the business continuity kit. • Schedule and conduct tests and exercises of the business continuity plan. • Promote an awareness of business continuity management, and schedule business continuity management training. • Receive training on their specific role, as well as good practice in business continuity management generally. • Update the business continuity plan for lessons learned from all disruption events. 	<ul style="list-style-type: none"> • Decision to declare a business disruption event. • Lead and project manage the recovery team. • Assess the extent of damage to building, facilities and equipment and report to the Incident Manager (and Executive Officer and/or board if necessary). • Contact necessary staff required for the recovery. • Assist in establishing the recovery site, if applicable. • Direct, coordinate and monitor all recovery operations. • Convene recovery status meetings with the executive. • Schedule subsequent recovery status meetings. • Liaise with real estate agent, if applicable. • Contact insurance assessors to determine their requirements and coordinate their on-going liaison with all recovery teams. • Minimise further losses and salvage recoverable resources. • Provide assurance and information updates to staff not involved in the recovery effort. • Prepare the recovery site. • Coordinate the post incident review.

Role	Managing the business continuity program	In the event of a business disruption
Support area and business unit recovery teams	<ul style="list-style-type: none"> • Contribute to the business impact analysis. • Contribute to the development and update of the business continuity plan – particularly for contact details. • Prepare the recovery plan for their support area or business unit. • Participate in tests and exercises of the business continuity plan. • Maintain an awareness of business continuity management, and participate in business continuity management training. 	<ul style="list-style-type: none"> • Contact the staff required for the recovery team. • Convene status meeting with team members. • Assist with disaster assessment as required. • Continually assess and address the entity's needs (for the support area or business units' area of expertise). • Determine requirements and coordinate acquisition of equipment, furniture, stationery and communications resources necessary for recovery. • Provide regular updates to the Recovery Coordinator. • Liaise with other recovery teams.

Audience	Program for business continuity training and raising awareness subjects
Executive / board	<ul style="list-style-type: none"> • Business continuity program management. • Business continuity standards, guidelines and legislation. • Incident management. • Key features of the entity's business continuity management program.
Business continuity custodians	<ul style="list-style-type: none"> • Business continuity program management. • Business continuity standards, guidelines and legislation. Conducting a business impact analysis. • Developing and maintaining a business continuity plan. Running tests and exercises. • Key features of the entity's business continuity management program.
Staff with a business continuity role	<ul style="list-style-type: none"> • Skills necessary to undertake their business continuity role. For example: • Communications training; • Managing teams; • Operating in stressful situations; and negotiation skills. • Key features of the entity's business continuity management program.
Staff	<ul style="list-style-type: none"> • Introduction to business continuity management. • Key features of the entity's business continuity management program.
Stakeholders	<ul style="list-style-type: none"> • Key features of the entity's business continuity management program.
Interdependent entities	<ul style="list-style-type: none"> • Key features of the entity's business continuity management program.

Bibliography

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