



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

Wednesday 17 June 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 Wednesday 17 June 2020 commencing at 8:30am.

A handwritten signature in blue ink, consisting of stylized, 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 Wednesday 17 June 2020
commencing at 8:30am, Via Zoom**

- 1. PRESENT**
- 2. APOLOGIES**
- 3. CONFLICTS OF INTEREST**
- 4. CONFIRMATION OF THE MINUTES:**
 - 4.1 MEETING HELD 24 APRIL 2020**
- 5. MATTERS ARISING FROM THE MINUTES**
- 6. QUESTIONS WITHOUT NOTICE**
- 7. REPORTS**
 - 7.1 FINANCIAL REPORT – YEAR TO DATE (APRIL 2020)..... pg.3**
 - 7.2 ANNUAL PLAN & REVISED FY2021 BUDGET..... pg.5**
 - 7.3 EXTERNAL AUDITOR INTERIM AUDIT REPORT..... pg.34**
 - 7.4 REVIEW OF POLICIES..... pg.42**
 - 7.5 DRAFT STRATEGIC PLAN..... pg.62**
- 8. CONFIDENTIAL REPORTS**

Nil
- 9. OTHER BUSINESS**
 - 9.1 2019 KERBSIDE AUDIT (verbal update)**
- 10. NEXT MEETING OF THE AUDIT COMMITTEE**

The next Audit and Risk Management Committee Meeting is to be held on Wednesday 16 September 2020, commencing 8:30am, at the City of Norwood, Payneham & St Peters, 175 The Parade, Norwood, or via Zoom.
- 11. CLOSURE OF MEETING**



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

Held on Friday 24 April 2020, via Zoom.

Meeting opened at 8:30am.

1. PRESENT

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

Nil

3. CONFLICTS OF INTEREST

Nil

Mr Jovicevic entered the meeting at 8:31am.

4. CONFIRMATION OF THE MINUTES – 19 NOVEMBER 2019

Moved Mr Barone that the Minutes of the previous meeting held on Tuesday 11 February 2020 be received and noted.

Seconded Ms Di Blasio

Carried

5. MATTERS ARISING FROM THE MINUTES

Nil

6. QUESTIONS WITHOUT NOTICE

Nil

Mr Muhlhausler entered the meeting at 8:32am.

7. STAFF REPORTS

7.1 FINANCIAL REPORT – BUDGET REVIEW THREE

RECOMMENDATION

Moved Mr Muhlhausler that 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.

Seconded Mr Barone

Carried

7.2 REVIEW OF EAST WASTE CHARTER

RECOMMENDATION

Moved Ms Di Blasio that the Committee recommend the proposed amendments to the East Waste Charter as presented in Attachment A, together with the advice from Kelledy Jones Lawyers, to the East Waste Board for consideration.

Seconded Mr Muhlhausler

Carried

7.3 REVIEW OF EAST WASTE BUSINESS CONTINUITY PLAN

RECOMMENDATION

Moved Cr Green that the Committee recommend Attachment A, as amended, to the East Waste Board for endorsement.

Seconded Mr Muhlhausler

Carried

8. CONFIDENTIAL REPORTS

Nil

9. OTHER BUSINESS

Nil

10. NEXT MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The next Audit and Risk Management Committee Meeting is scheduled to be held on Tuesday 16 June 2020, at the City of Norwood, Payneham, & St Peters, 175 The Parade, Norwood, or via Zoom.

11. CLOSURE OF MEETING

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

PRESIDING MEMBER

DATE

7.1: FINANCIAL REPORT – YEAR TO DATE (April 2020)

REPORT AUTHOR: General Manager
ATTACHMENTS: Nil

Purpose of the Report

Provide the Audit and Risk Management Committee with an overview of East Waste's financial performance for FY2020 up to period ending 30 April 2020.

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

The revised BR3 Adopted Budget forecast an end of Year 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.

Table 1 summarises the key material cost drivers being monitored and an update on the Year to Date result against full year Budget as at 30 April 2020(refer Table 1).

Table 1: Key Budget Item Year to Date

Item	YTD Actuals (as at 30/04/2020)	Remaining Budget (01/05/2020 – 30/06/2020)	Notes
Processing Fees & Income (Organics, Recycling & Hard Waste)	\$3.577M	\$0.877M	Significant volume increases as a result of COVID-19 and increasing recycling processing fees continue to drive expenses (and in turn income) higher. Adjustments made at BR3 anticipated to be on budget.
Wages & Salaries (incl. Casual Staff)	\$4.760M	\$0.785M	Total Wages and Salaries, anticipated to exceed budget due to spike in volumes across all streams associated with COVID-19.
Staff Development	\$0.040M	\$0.050M	Planned staff development cancelled as a COVID-19 cost saving measure. Bulk of remaining budget will be directed to end of year operational savings.
Fuel, Gas & Oil	\$1.097M	\$0.300M	A favourable result to be realised as a result of the continuing low world oil prices.

Forecast Cash Reserves

As per Budget Review Three the forecast is for 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. 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.

The forecasted operating surplus at the end of the 2019/20 financial year and the level of cash reserve held by East Waste, as per East Waste's *Treasury Management Policy*, will be determined by the Board following receipt of the audited statements, with any deemed excess returned to Member Councils as a distribution.

RECOMMENDATION

The Committee recommend that the Financial Report – Year to Date (April 2020) is received and noted.

7.2: DRAFT 2020/21 ANNUAL BUSINESS PLAN & BUDGET

REPORT AUTHOR: General Manager
ATTACHMENTS: A: Revised Draft 2020/21 Budget
B: Member Council Consent

Purpose of the Report

To provide the Audit & Risk Management Committee with a copy of Member Council feedback on the draft *East Waste Annual Plan 2020/21* and an overview of the revised 2020/21 draft budget, in response to COVID-19 constraints.

Background

Section 51 of the Eastern Waste Management Authority Charter requires the Authority to have an Annual Plan which supports and informs its Budget. At the meeting held 20 February 2020, the East Waste Board resolved (in part):

7.2 DRAFT 2020/21 ANNUAL PLAN AND BUDGET

RECOMMENDATION 1

Moved Mayor Holmes-Ross that the Board Endorse the East Waste 2020/21 Annual Plan, as presented in Attachment A.

Seconded Cr Green

RECOMMENDATION 2

Moved Cr Green that the board endorse the associated draft budget in principle, with an increase of no greater than 5% for East Waste.

Seconded Mayor Holmes-Ross

Carried

The Annual Plan and Budget (proposed fees – Section 53 of the Charter) was subsequently distributed to Member Councils for their review prior to the mandated 31 May timeframe (Section 52.3 of the Charter).

Report

The 2020/21 Annual Plan, including a revised F21 budget is presented in full in Attachment A (refer Attachment A). The East Waste draft budget was developed principally in January 2020, well before the gravity of COVID-19 was realised. As we now appreciate, COVID-19 has heavily impacted upon several budget inputs and with several Member Councils having low or Zero rate increases, Administration were of the belief that it was pertinent to review the F21 budget prior to Board adoption in order to identify any possible savings, to assist Member Councils with this process.

Revised FY21 draft Budget

As a result of this, Administration have been able to identify significant savings and the key influencers associated with this are detailed below. Of note, a reduction in the year on year Common Fleet Collection increase from 4.43% to **1.37%** (which is well under CPI), resulting in an Operating Surplus of \$11,100 has been achieved.

- **Depreciation** – While there is still a significant increase in depreciation as a result of the delayed timing of receiving replacement waste collection vehicles in the current financial year and the early

replacement of vehicles in the FY21 cycle, through a negotiation process with our supplier we have achieved a delay in the vehicles which largely contributes to ~\$100,000 depreciation saving.

- **Fuel Gas and Oil** – A positive of COVID-19 has been the declining barrel price of crude oil which has sharply driven the terminal gate price of diesel to levels not seen for several years. While oil will always remain volatile, according to a number of commercial national and international analysts, in conjunction with the strong performing Australian Dollar against the US Dollar, prices will remain depressed for at least a number of months. This has allowed a decrease in the budget allocation for fuel.
- **Education** – reduction in the education budget of \$20,000, which may impact East Waste's attendance at community events.
- **Staff Development** – A reduction in the allocation for staff development has been made, as a contributing element from the staff body.
- **Ottoway Lease** – Updated figures realise a \$15,000 saving.
- **Profit from sale of Fixed Assets** – Current financial year truck sales have been more favourable than anticipated, which is a direct reflection of the improved maintenance and upkeep that has been applied to the vehicles in recent years. As such this income line has been increased.

Consistent with the draft budget endorsed by the Board, Administration have not included an amount to achieve Financial Target 1 of the *East Waste Budget Framework Policy* which requires the application of a 1 -2% return on revenue. Administration are of the view that the application of the 1-2% Operating surplus, adding a minimum of a further \$120,000 would not be palatable in the current economic and political climate, particularly when the key objective of the budget review was to minimise costs.

It is worth noting that the increase in depreciation, which is largely uncontrollable, accounts for 120% of the total increase in Common Fleet Collection Charges from the FY2020 budget. Obviously to achieve a figure such as this, tough calls have been made across the majority of the business' other costs centres to ensure they are reduced or kept in balance. This alone should unquestionably demonstrate to Member Councils the strong commitment and ethos that East Waste has in minimising waste collection charges.

Processing Fees - The passage of time since the original draft budget development has seen the recycling processing fee significantly increase and with the continuing and compounding national and international negative influences there is no relief in sight. As such an increase has been made to the relevant budget lines. As this is a direct pass through cost it does not impact the East Waste budget, however it does impact Member Councils. A minor increase has also been applied to Green Organics processing.

Consent of draft Annual Plan 2020/21

As per Clause 52.3 of the East Waste Charter, Member Councils only consent to the Annual Plan, not the budget, albeit a number comment on the budgetary component.

All Councils with the exception of the City of Burnside and City of Mitcham consented to the Annual Plan (refer Attachment B for a copy of Member Council letters). The City of Burnside, who were also subjected to a common fleet percentage rise, which further compounded their increase, quite rightly requested a review of our cost assumptions in light of COVID-19 and the current economic conditions. Administration is confident that the revised budget, with reduced costings will satisfy the City of Burnside request.

The City of Mitcham consented to the Annual Plan subject to a number of conditions. As outlined below:

That Council consents to the East Waste 2020/2021 Draft Annual Plan and acknowledges the 2020/2021 East Waste Draft Budget subject to the following:

- 1. That the Annual Plan be amended to include projects and initiatives specifically designed to achieve ongoing operating savings, thereby offsetting future cost increases (as identified in Attachment C).*
- 2. That future East Waste Annual Plans identify programs of work that deliver direct savings for member Councils, with the intention of capping cost increases no greater than CPI.*
- 3. That the Annual Plan be amended to identify that the “Why Waste It” education program be placed on hold until such time as a review as to its effectiveness is complete.*
- 4. That East Waste undertake a review of the operating model currently employed in order to deliver advocacy services for member Councils.*

As per the attached draft Annual Plan it is not intended to reflect all of these requests in the 2021 Annual Plan. It is Administration's view that the first two resolutions that seek the identification of efficiencies is firmly engrained in our DNA and drives our ongoing approach. East Waste have identified in excess of \$300,000 of annual recurrent savings since 2017 alone, along with a review of our asset replacement plan saving in excess of \$2m over an eight-year replacement program. These are indicative of the savings we achieve and focus we have on reducing costs for Member Councils and are typically not reported in our Annual Plan as the identification of efficiencies simply form part of our 'business-as-usual psyche' and are implemented at the time of identification, rather than waiting for documentation in a subsequent Annual Plan.

Further to the second part of resolution 2, as demonstrated above and articulated in the letter to Councils, the increases incurred were largely outside our control. Regardless of the percentage or CPI, East Waste will continue to actively identify, pursue and implement improvements and efficiencies to ensure that the cost of our premier service to our Member Councils remains as low as possible. 100% of any savings that are derived are returned to our Member Councils in full and as such we do not see it relevant to subscribe to a quasi-rate capping approach.

Interestingly and specifically for the City of Mitcham, over the last five years (Financial Year ending 2015 to Financial Year ending 2020) East Waste has averaged, year on year, a **0.16% reduction** in Common Fleet Costing charges to the City of Mitcham. During this time fuel has averaged an annual increase of 4% and the East Waste Enterprise Agreement has had an average increase of 2.5% (Employee Costs account for over one-third of East Waste's expenses). The CPI increase over this 5-year time frame has averaged 1.52%.

With respect to the third resolution, the education program has been a strong and instrumental tool for East Waste over the past four years. Having the State Government adopt “Which Bin?”, principally on the basis of its market penetration and recognition, is testament to the strength of the foundational education program, originally created by the East Waste. Furthermore, throughout the COVID-19 pandemic social media has been critical to push messages out in relation to correct bin usage, bin distancing and a number of other key messages. Due to the continual positive feedback received and coupled with a planned educational review, Administration strongly rejects any proposal to place the waste education program on hold.

Administration accepts a need to undertake a refinement of the advocacy operating model and this will take place in the coming months.

The Annual Plan and budget as presented in Attachment 1, is strong and balanced and will place East Waste well to continue to deliver a quality service, educate the community, advocate strongly and present as thought leader of the industry.

RECOMMENDATION

That the Committee recommends the draft 2020/21 Annual Business Plan and revised Budget as presented in Attachment A to the Board for endorsement.

EastWaste



2020/21 Annual Plan

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Introduction

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

Through the servicing of kerbside waste, recycling and organics bins and street and reserve litter bins, East Waste undertakes over 10 million bin lifts and 30,000 hard waste collections each year for the Member Councils. East Waste however is far more than a waste logistics Company and has been a driving force in the waste education space in recent years.

East Waste is governed by a Charter (the Charter) pursuant to *Section 43 of the Local Government Act 1999* and administered by a Board, which includes a director appointed by each Council and an Independent Chair. Clause 51 of the Charter requires the Authority each year to have an Annual Plan which supports and informs the budget. Specifically, it is to include an outline of East Waste's objectives, the activities intended to be pursued, and the measurement tools defined to assess performance. It must also assess and summarise the financial requirements of East Waste and set out the proposals to recover overheads and costs from the Member Councils.

The *2020/21 Draft Annual Plan* is to be read in conjunction with East Waste's broader strategic planning framework including the *10 Year Business Plan 2015 - 2024*, Asset Management Plan and Long-Term Financial Plan, and Risk Management Planning Framework. In doing so it is important to note that East Waste's 10 Year Business Plan is currently under review and likely to be superseded prior to the final adoption of this Annual Plan. In anticipation of this, this Plan has adopted a 'hybrid' approach with respect to referencing strategic objectives. Notwithstanding the *2020/21 Draft Annual Plan* maintains our core intent of being *the most efficient and respected waste logistics company in Australia through the delivery of world-class resource management and educational services to our Member Councils and their Communities*.

Consistent with recent plans, this continues to build on the success of East Waste and strong integration with our Member Councils which is central to our success and strength as a collective unit.

Delivery

Appendix 2 of the *10 Year Business Plan 2015-2024* sets out a 10 Year Action Summary, with key tasks listed to ensure delivery of the Plan. For historical context and reference, Table 1 presents the Action Summary with an update on the activities - those completed are shaded Green and those outstanding are shaded Red.

Actions with an asterisk have not been completed at time of writing but are scheduled to be completed by the commencement of this plan (1 July 2020). This Plan will deliver on Year 7(2021) actions.

As part of a broader plan to maximise the efficiency of assets and resources, East Waste has taken on several new services in recent times and also expanded its service offerings.

East Waste will continue to pursue suitable expansion options where there is financial, logistical benefit and values alignment. The range of services currently provided to Member Councils is detailed in Table 3. East Waste currently does not provide any non-core activities to non-Member Councils or Organisations, however this does not preclude East Waste from investigating and/or pursuing these opportunities as they arise.

Other key activities for delivery in 2020/21 are detailed on the following pages against the *10 Year Business Plan 2015-2024* Key Focus Areas.

Table 1: East Waste Business Plan 2015 -2024 Action Summary

East Waste 10 Year Business Plan 2015-2024						4 Year Delivery Plan				10 Year Business Plan					
Actions						Year 1 - 2015	Year 2 - 2016	Year 3 - 2017	Year 4 - 2018	Year 5 - 2019	Year 6 - 2020	Year 7 - 2021	Year 8 - 2022	Year 9 - 2023	Year 10 - 2024
Action 1: East Waste to continue to provide core services to Member Councils and advise Member Councils of the capacity to deliver the full range of core services which could further drive efficiencies and alignment between Member Councils and East Waste.						X									
Action 2: East Waste to determine current performance of Member Councils against the two key ZWSA Waste Strategy targets and report annually. *						X	X	X	X	X	X	X	X	X	X
Action 3: East Waste to undertake an internal, and where required, independent, Market Evaluation of the East Waste model versus alternative waste and recycling service delivery models.						X					X				
Action 4: East Waste to prepare SLA's for Member Councils within 12 months. *						X									
Action 5: East Waste to establish operations KPIs as per Table 3 within 12 months. KPIs to be reported monthly to Member Councils once established. *						X	X	X	X	X	X	X	X	X	
Action 6: East Waste to prepare a suitable recyclables processing specification and tender by February 2015 on behalf of Member Councils. Issue to market by March 2015 and proceed to board approval with recommended contractor for approval ready for 1 July 2015 commencement.						X				X					
Action 7: East Waste to prepare a suitable organics processing specification and tender by February 2015 on behalf of Member Councils. Issue to market by March 2015 and proceed to board approval with recommended contractor for approval ready for 1 July 2015 commencement.						X									
Action 8: East Waste to assess the disposal contract opportunity and provide a business case for Member Councils to consider by year 4 of the Business Plan and provide a waste disposal specification and tender to the market for Councils that choose to take up this option.									X						
Action 9: East Waste to demonstrate the potential of the Customer Service software to Member Councils and seek interest in moving to this solution by year 3 of the Business Plan.								X							
Action 10: East Waste to develop an employee satisfaction survey to be conducted at a frequency to be determined by the end of the first year of the Business Plan.						X	X	X	X	X	X	X	X	X	
Action 11: East Waste to develop a fleet management plan to achieve an average fleet age of 7 years by end of year three of the Business Plan, and continually commit to implementing best practice technologies.								X							
Action 12: East Waste to prepare an example or trial presentation of one vehicle for Member Councils to consider and business case for broader fleet implementation over time by year 2 of the Business Plan.							X								
Action 13: East Waste to prepare example or trial demonstrate capabilities and benefits of RFID bins to Member Councils by year 3 of the Business Plan.								X							
Action 14: East Waste to develop customer satisfaction KPIs, and a process regarding resident customer service surveys, to identify and track customer satisfaction at a frequency to be determined.							X		X	X		X		X	
Action 15: East Waste to investigate a service offer for community waste and recycling education and propose a model(s) to Member Councils that indicate and interest by Year 1-2 of the Business Plan.						X	X								
Action 16: East Waste initiate an independent mechanical and operational audit of the entire collection fleet at least annually, commencing in year 1 of the Business Plan.						X	X	X	X	X	X	X	X	X	

Table 2: East Waste Service Offering to Member Councils

	East Waste Service Offerings (as at 1 January 2020)																	
	Field Services						Procurement & Contract Management						Customer Service		Innovation		Education and Marketing	
Council	Weekly collection of Waste	Fortnightly collection of Recyclables	Fortnightly collection of Organics	Hard Waste Collection	Street & Reserve Litter Collection	MUD/Bulk Bin Collections	Bin Repairs/Maintenance/Replacements	MGB Procurement	Kitchen Caddy and BioBag Procurement	Dog Poo Bag Procurement	Recyclables Contract	Organics Contract	Customer Service	Second Bin Permits	GPS tracking	RFID tracking	Education and Promotion	Personalised Truck Advertising
Adelaide Hills Council	x	x	x	x	x	x	x	x			x	x	x	x	x		x	x
City of Burnside	x	x	x	x		x	x	x	x		x	x	x	x	x	x	x	x
Campbelltown City Council	x	x	x	x	x		x	x			x	x	x		x		x	
City of Mitcham		x	x	x			x	x			x	x	x		x		x	
City of NPSP	x	x	x	x	x	x	x	x	x		x	x	x	x	x		x	
Town of Walkerville	x	x	x	x	x		x	x			x	x	x	x	x		x	
City of Prospect	x	x	x	x	x		x	x	x		x	x	x	x	x	x	x	

Governance

East Waste has undertaken a significant amount of work in recent years to strengthen the governance related activities of the business. The largely operational improvements required into the future will be adopted as a 'business as usual' approach.

G1. Implementation of a compliant Records Management System

Over the past 18 months East Waste have undertaken an investigation into a fit for purpose Records Management System (RMS), developed a GAP analysis and implementation schedule. Physical implementation has been delayed due to competing priorities but will now form a key priority for the FY21.

Operational Management

Principally as a waste logistics business providing a service to Member Councils, East Waste's core intent is to be *the most efficient and respected waste logistics company in Australia through the delivery of world-class resource management and educational services to our Member Councils and their Communities*. As a result of this operational management activities will remain the key focus of the Organisation.

OM1. Continue & Expand Existing Core Services

East Waste will continue to pursue a complete suite of service offerings to all Member Councils. Where gaps exist with the current service offerings (refer Table 2), East Waste will work with the respective Council(s) to provide business case(s) for a superior and financially more efficient service. Ultimately this will be undertaken with a goal of ensuring all assets and resources are fully utilised, however where required additional resources and/or vehicles will be procured to meet service demand.

Furthermore, should opportunities arise to expand the existing membership model and/or fee for service offerings, these will be investigated.

OM2. Upgrade to WasteTrack2

East Waste utilises a high-quality software system known as Waste Track to manage all elements of collections. An upgraded package is available which will streamline several workflows and improve data reporting, among several other operational benefits. To utilise the system the collection vehicles, require an upgrade of 'in cab' hardware. Approximately a third of the fleet are currently fitted, and new and soon to be purchased trucks will have it fitted as standard (within the purchase price) however this leaves 15 truck requiring the upgrade. The upgraded system cannot be utilised until all trucks are fitted.

OM3. Purchase of replacement RACVs

In line with East Waste's recently revised *Fleet Asset Management Plan 2020-2030* six (6), collection vehicles are due to be replaced in the 2020/21 Financial Year. Replacement of these six vehicles ensure the Key Principles of the Principles of the *Fleet Asset Management Plan 2020-2030* are maintained. Additionally, these purchases will upgrade the technological capabilities of the existing fleet, as they will be fitted standard with RFID readers and additional cameras, which the trucks to be replaced, do not have. The inclusion of Electric Vehicle(s) as part of this purchase will be considered.

OM4. Investigate opportunities for increased reuse of Hard Waste material

East Waste currently diverts over 95% of all material (approximately 3,100 tonnes per annum) collected through our hard waste service away from landfill by sending the material to ResourceCo (Wingfield) who transform it into Process Engineered Fuel (PEF).

A strategic principle of East Waste is to ensure where possible that collected material is retained/processed at is highest value. Referring to the waste hierarchy, *Reuse* sits higher than *Waste to Energy* and as such East Waste will investigate solutions and implement trials where possible for increasing the life (reuse) of the many items currently presented for hard waste collection.

Communication

Since 2015 East Waste has invested heavily in waste education in a bid to maximise the reuse of valuable resources and minimise contamination. Through delivering a range of materials and information across diverse mediums, East Waste is recognised as a leader in waste education. While education will continue and remain, the focus will shift to investment in meaningful and sustained behaviour change programs.

C2. Implementation of Kerbside Services Plan

Shifting to a stronger behaviour change focus in order to generate the step change required in increasing food waste recycling and reducing contamination, East Waste will commence implementation of the Kerbside Services Plan. Delays to the development of the Strategic Plan and the Kerbside Services Plan postponed the anticipated commencement in the 2019/20 financial year.

C2. Continued implementation of 'Why Waste It?' Program

East Waste has developed a strong social media presence in order to disseminate vital service information and reinforce educational messaging and this, along with targeted advertising will occur throughout the 20/21 year as need and opportunity requires.

Schools education will continue and building on the success of last year, community workshops themed around recognised environmental events (eg. National Recycling Week, World Environment Day, Plastic Free July will be rolled out across (and in conjunction with) all Member Councils. Support with and attendance at selected community events will further support direct community engagement. Partnering with external Organisations and national programs will be sought where synergies and benefits exist.

C3. Review of East Waste's Education Program

East Waste have invested heavily in waste education over the past five (5) years, initially as a need to fill a void in the community education space. The various iterations are well recognised as leading waste education in South Australia, evidenced by the State Government seeking a statewide rollout of *WhichBin?* in 2019.

With the maturity of the program, State-government reinvesting in waste education and a focus on behaviour change, it is now appropriate to undertake an assessment as to the effectiveness of the education investment in reducing contamination and increasing green waste diversion, in order to ensure future tailored messaging.

C4. Advocacy/Leadership

East Waste recognises that the collective of Member Councils is one of its key strengths. As a collector of over 20% of Adelaide's kerbside waste collections and influencer on the processing and disposal of this material, East Waste is well-placed to provide informed comment on waste-related matters. East Waste will continue to partner and advocate on behalf of Member Councils on matters that impact on the strategic direction, financial and logistical framework of waste collection, processing and disposal.

Workplace Health & Safety

The heavy logistical work undertaken in the course of collections exposes staff and members of the public to heightened risks. As such a high safety culture that exceeds required standards is fostered across the Organisation and our activities.

WS1. Independent Truck Fleet Audit (A16)

An annual requirement of *East Waste's 10 Year Business Plan 2015-2024 (refer Action 16)*, the independent truck audit provides invaluable mechanical information and peace of mind around the integrity and operational conformance of all collection vehicles. This program coupled with ongoing maintenance ensures East Waste exceeds the requirements of the State Government Heavy Vehicle Inspection program.

WS2. Implementation of the 2019 Risk Management Evaluation Plan

An audit of East Waste's Work, Health & Safety (WHS), Injury Management (IM) and Risk Management frameworks were undertaken in late 2019. While achieving a high conformance, several areas have been identified for improvement. The high priority actions of the subsequently developed WHS & Risk Action Plans will be implemented in line with East Waste's continuous improvement framework.

Financial Management & Performance

East Waste have invested significant time and resources in recent years to improve the transparency and performance of the Organisation, particularly in relation to financial management. While only one action is listed for completion in the FY21, a continued underlying focus remains on driving improvement, efficiency and transparency, wherever possible.

FM1. Cost benefit analysis of services

Action 3 of the 10 Year Strategic Plan recommends “An internal, and where required, independent, Market Evaluation of the East Waste model versus alternative waste and recycling service delivery models.” in years three and seven. The previous work will be built upon to deliver the required market evaluation and provide an opportune springboard at the commencement of the revised Strategic Plan.

Performance Metrics

Table 4: Summary of Activities and Performance Metrics

Activity Code	Activity	10YR Business Plan Link	Metric
G1	Implementation of a compliant Records Management System	2.3.3	<i>State Records Act 1997</i> Compliant Records Management System integrated into business activities.
OM1	Continue & Expand Existing Core Services	1.3 2.4.1	Expansion of existing Service Provisions are investigated and undertaken in a financially sustainable & beneficial manner to existing Member Councils.
OM2	Upgrade to WasteTrack2	2.4.6	Systems installed to deliver optimal Customer Service and reporting capabilities.
OM3	Purchase of replacement RACVs	2.4.7	Replacement of collection vehicles in accord with AMP to ensure operational needs are met.
OM4	Investigate opportunities for increased reuse of Hard Waste material	2.4.6	Feasibility of opportunities investigated and a minimum of one trial undertaken.
C1	Implementation of Kerbside Services Plan	2.5.2	Implementation of Year 1 Actions of endorsed a of a long-term integrated behavior change Program, designed to reduce waste to landfill and contamination levels.
C2	Continued implementation of 'Why Waste It?' Program	2.5.2	Rollout of <i>Why Waste It?</i> campaign to complement statewide education and service the needs of Member Councils.
C3	Review of East Waste's Education Program	2.5.2	Review undertaken and report presented to Council for consideration ahead of 2021/22 budget setting.
C4	Advocacy/Leadership	2.4.6	Tangible advocacy and leadership examples across the year on waste matters of significance to Member Councils.
WS1	Independent Truck Fleet Audit	2.6.2	All trucks audited and identified issues corrected to ensure safe and compliant fleet.
WS2	Implementation of the 2019 Risk Management Evaluation Plan	2.3.3	All actions implemented in timely manner.
FM1	Cost benefit analysis of services	2.3.4	Review undertaken and report presented to Council for consideration ahead of 2021/22 budget setting.

Budget Management

East Waste operates almost entirely on a Common Fleet Costing methodology, whereby Member Councils are charged directly against the time it takes to undertake their services. This is achieved through the utilisation of a specialised, highly accurate and powerful cloud-based, real-time GPS based system, supported by detailed reporting capabilities. As a result of this minor variations in the common fleet percentages (and therefore apportioning of Common Fleet costs) occur from year to year in response to efficiencies and increased collection costs (e.g. increase in developments, Fire Ban days and events). Specific costs (and rebates where applicable) such as waste disposal and resource processing are directly on-charged, to Member Councils.

The budget to deliver this Annual Plan, along with all East Waste's Services and legislative requirements is detailed in the following proposed 2020/21 Financial Papers (refer Attachment 1 – 5).

Attachment 1

EAST WASTE

PROJECTED STATEMENT OF COMPREHENSIVE INCOME (BUDGET) for the Financial Year Ending 30 June 2021

FY2019		FY2020	FY2021
Audited Actuals		Adopted Budget (BR3)	Proposed Budget
\$'000		\$'000	\$'000
	INCOME		
15,440	User Charges	16,909	17,635
32	Investment income	13	9
38	Grants, subsidies and contributions	-	30
684	Other	681	794
16,194	TOTAL INCOME	17,603	18,467
	EXPENSES		
5,580	Employee Costs	5,545	5,890
8,229	Materials, contracts & other expenses	9,446	9,935
1,959	Depreciation, amortisation & impairment	2,072	2,347
290	Finance costs	304	335
16,058	TOTAL EXPENSES	17,367	18,506
136	OPERATING SURPLUS / (DEFICIT)	236	(39)
32	Asset disposals & fair value adjustments	20	50
168	NET SURPLUS / (DEFICIT)	256	11
-	Other Comprehensive Income	-	-
168	TOTAL COMPREHENSIVE INCOME	256	11

EAST WASTE**PROJECTED BALANCE SHEET (BUDGET)**
for the Financial Year Ending 30 June 2021

FY2019		FY2020	FY2021
Audited Actuals		Adopted Budget (BR3)	Proposed Budget
\$'000		\$'000	\$'000
	ASSETS		
	CURRENT ASSETS		
1,967	Cash & Cash Equivalents	2,163	2,156
717	Trade & Other Receivables	717	717
-	Other Financial Assets	-	-
2,684	TOTAL CURRENT ASSETS	2,880	2,873
	NON-CURRENT ASSETS		
6,100	Infrastructure, Property, Plant & Equipment	7,709	8,093
6,100	TOTAL NON-CURRENT ASSETS	7,709	8,093
8,784	TOTAL ASSETS	10,589	10,965
	LIABILITIES		
	CURRENT LIABILITIES		
771	Trade & Other Payables	771	771
1,987	Borrowings	2,287	2,176
540	Provisions	588	633
3,298	TOTAL CURRENT LIABILITIES	3,646	3,580
	NON-CURRENT LIABILITIES		
4,702	Borrowings	5,791	6,192
78	Provisions	126	156
4,780	TOTAL NON-CURRENT LIABILITIES	5,917	6,348
8,078	TOTAL LIABILITIES	9,563	9,928
706	NET ASSETS	1,026	1,037
	EQUITY		
706	Accumulated Surplus	1,026	1,037
706	TOTAL EQUITY	1,026	1,037

Attachment 3

EAST WASTE

PROJECTED STATEMENT OF CASH FLOWS (BUDGET) for the Financial Year Ending 30 June 2021

FY2019		FY2020	FY2021
Audited Actuals		Adopted Budget (BR3)	Proposed Budget
\$'000		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
16,572	Operating Receipts	17,605	18,408
32	Investment Receipts	13	9
PAYMENTS			
(5,555)	Employee costs	(5,545)	(5,890)
(8,260)	Materials, contracts & other expenses	(9,614)	(9,845)
(309)	Interest Payments	(250)	(300)
2,480	NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	2,209	2,383
CASH FLOWS FROM INVESTING ACTIVITIES			
RECEIPTS			
35	Sale of Replaced Assets	83	50
PAYMENTS			
(1,897)	Expenditure on Renewal/Replaced Assets	(2,483)	(2,730)
-	Expenditure of New/Upgraded Assets	-	-
(1,862)	NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES	(2,400)	(2,680)
CASH FLOWS FROM FINANCING ACTIVITIES			
RECEIPTS			
65	Capital Contributed by Member Councils	65	-
1,814	Proceeds from Borrowings	2,171	2,400
PAYMENTS			
(1,906)	Repayment of Borrowings	(1,840)	(1,845)
-	Repayment of Lease Liability	-	(265)
-	Distribution - Member Councils	-	-
(27)	NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	396	290
591	NET INCREASE (DECREASE) IN CASH HELD	205	(7)
1,367	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,958	2,163
1,958	CASH & CASH EQUIVALENTS AT END OF PERIOD	2,163	2,156

Attachment 4

EAST WASTE

PROJECTED STATEMENT OF CHANGES IN EQUITY (BUDGET) for the Financial Year Ending 30 June 2021

FY2019		FY2020	FY2021
Audited Actuals		Adopted Budget (BR3)	Proposed Budget
\$		\$'000	\$'000
473	BALANCE AT END OF PREVIOUS REPORTING PERIOD	706	1,026
168	Net Surplus / (Deficit) for Year	256	11
65	Contributed Equity	64	-
-	Distribution to Councils	-	-
706	BALANCE AT END OF REPORTING PERIOD	1,026	1,037

Attachment 5

EAST WASTE

PROJECTED UNIFORM PRESENTATION OF FINANCES STATEMENT (BUDGET) for the Financial Year Ending 30 June 2021

FY2019		FY2020	FY2021
Audited Actuals		Adopted Budget (BR3)	Proposed Budget
\$'000		\$'000	\$'000
16,194	Income	17,190	18,467
(16,058)	Expenses	(16,887)	(18,506)
136	Operating Surplus / (Deficit)	303	(39)
Net Outlays on Existing Assets			
(1,897)	Capital Expenditure on Renewal and Replacement of Existing Assets	(2,580)	(2,730)
1,959	Depreciation, Amortisation and Impairment	2,103	2,347
35	Proceeds from Sale of Replaced Assets	83	50
97		(395)	(334)
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	(91)	(372)



PO Box 44
Woodside SA 5244
Phone: 08 8408 0400
Fax: 08 8389 7440
mail@ahc.sa.gov.au
www.ahc.sa.gov.au

Direct line: 8408 0438
File Ref: IC20/3776 05.85.8-01
OC20 / 4134

29 April 2020

Mr Rob Gregory
General Manager
East Waste
1 Temple Court
OTTOWAY SA 5013
E: robg@eastwaste.com

Dear Rob

Draft 2020/21 Annual Business Plan & Budget

I am pleased to advise that the following resolution was unanimously passed at the Council meeting held on 28 April 2020:

Council resolves:

1. *That the report be received and noted*
2. *To provide consent to the Eastern Waste Management Authority Draft Annual Plan 2020-21.*

The Council Members appreciated you taking the time to present the East Waste 2020-21 Annual Business Plan and Budget and thank you for your informative presentation.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Andrew Aitken', is shown within a light blue rectangular box.

Andrew Aitken
Chief Executive Officer

From: Robert Dabrowski <RDabrowski@burnside.sa.gov.au>
Sent: Friday, 1 May 2020 10:42 AM
To: Rob Gregory <RobG@eastwaste.com>
Cc: Kelly Vandermoer <kelly@eastwaste.com>; Chris Cowley <CCowley@burnside.sa.gov.au>; Julian Carbone <JCarbone@burnside.sa.gov.au>
Subject: Response - East Waste Draft 2020/21 Annual Plan, Budget & Fees

Hi Rob

Further to the below this matter was discussed at the Council Meeting held 28 April 2020 where it was resolved:

East Waste Draft Annual Plan 2020/21 (13.7)

Motion

C12531

That Council:

1. Note the draft East Waste Management Authority Annual Plan 2020/21 provided by the subsidiary.
2. **Requests, through the General Manager East Waste, that the East Waste Board revisit the cost assumptions, in light of current economic conditions (attributable to COVID-19), with the aim of reducing the cost estimates attributable to the City of Burnside**

Moved Councillor Davis, Seconded
Councillor Davey

CARRIED

I appreciate this is not the ideal outcome you were seeking and Julian did attempt to run an alternate motion.

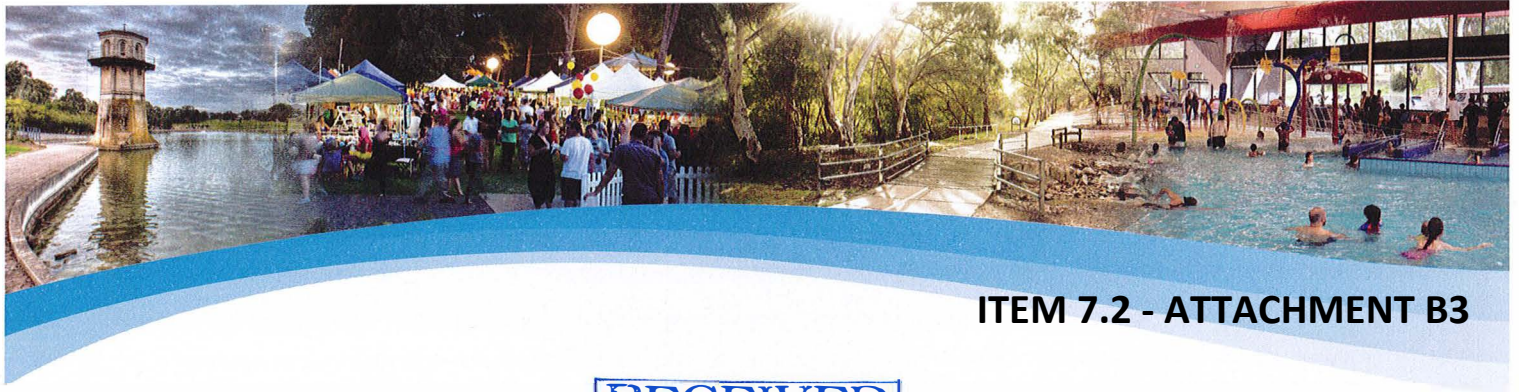
This email serves to address point 2 of the above.

If you need a further discussion with Chris please let me know and when you think a suitable timeframe is for a revised document to be returned so we can allocate to a Council meeting.

Kind regards
Rob



Robert Dabrowski | Principal Executive Officer
City of Burnside | 401 Greenhill Road Tasmore SA 5065
P: 08 8366 4205 | M: 0477 228 844
RDabrowski@burnside.sa.gov.au
www.burnside.sa.gov.au



ITEM 7.2 - ATTACHMENT B3



Enq: Michelle Hammond
Ph: 8366 9260

19 March 2020

Mr Rob Gregory
General Manager
East Waste
PO Box 26
MANSFIELD PARK SA 5012

Dear Mr Gregory

Draft 2020/2021 Annual Plan and Budget

I wish to advise that at its meeting held on Tuesday 17 March 2020 Council endorsed East Waste's Draft Annual Plan and Budget for the Year ending 30 June 2021. Furthermore, Council will recognise its equity share in East Waste's budgeted loss in its draft 2020/2021 Annual Business Plan and Budget.

If you have any queries please contact Council's Manager Finance, Mr Simon Zbierski on 8366 9289.

Yours sincerely

Michelle Hammond
General Manager Corporate & Community Services



21 May 2020

Mr Rob Gregory
General Manager
East Waste
PO Box 26
MANSFIELD PARK SA 5012

RobG@eastwaste.com

Dear Mr Gregory

Re: East Waste 2020/2021 Draft Annual Plan and Budget

Following receipt of your letter dated 2 March 2020, Council has endorsed the following recommendations in relation to the East Waste 2020/2021 Draft Annual Plan and Budget at its Full Council meeting on 28 April 2020:

That Council consents to the East Waste 2020/2021 Draft Annual Plan and acknowledges the 2020/2021 East Waste Draft Budget subject to the following:

1. *That the Annual Plan be amended to include projects and initiatives specifically designed to achieve ongoing operating savings, thereby offsetting future cost increases (as identified in Attachment C).*
2. *That future East Waste Annual Plans identify programs of work that deliver direct savings for member Councils, with the intention of capping cost increases no greater than CPI.*
3. *That the Annual Plan be amended to identify that the "Why Waste It" education program be placed on hold until such time as a review as to its effectiveness is complete.*
4. *That East Waste undertake a review of the operating model currently employed in order to deliver advocacy services for member Councils.*

A copy of the East Waste 2020/2021 Draft Annual Plan and Budget report from the 28 April 2020 Council meeting is attached to this letter.

For further information about Council's endorsement please contact Council's Waste Management Officer, Ms Gemma Chambers, on telephone number 0411 861 015 or email at gchambers@mitchamcouncil.sa.gov.au.

Yours sincerely

Dr Heather Holmes-Ross
MAYOR

Street Address:
131 Belair Road
Torrens Park SA 5062

Postal Address:
PO Box 21
Mitcham Shopping Centre
Torrens Park SA 5062

Phone: (08) 8372 8867
Fax: (08) 8372 8101
Mobile: 0401 841 000
hholmes-ross@mitchamcouncil.sa.gov.au
www.mitchamcouncil.sa.gov.au

File Number: qA1932 (A22828)
Enquiries To: Sharon Perkins
Direct Telephone: 8366 4533



City of
Norwood
Payneham
& St Peters

25 May 2020

Mr Rob Gregory
General Manager
East Waste
PO Box 26
Mansfield Park SA 5012

Dear Rob

2020 -2021 Draft Annual Plan

Thank you for your letter dated 2 March 2020, in which you have requested the Council's consideration of the East Waste Draft Annual Plan and accompanying Budget for the 2020-2020.

I wish to advise that the Council considered the East Waste Draft 2020-2021 Annual Plan at its meeting held on 19 May 2020.

Following the consideration Draft 2020-2021 Annual Plan, the Council resolved to advise East Waste that pursuant to Clause 52.3 of the East Waste Charter the Council has considered and approves the 2020-2021 Draft Annual Plan.

Should you require any further information, please do not hesitate to contact me of 8366 4533 or email sperkins@npsp.sa.gov.au.

Yours sincerely

Sharon Perkins
GENERAL MANAGER, CORPORATE SERVICES

175 The Parade
Norwood SA 5067

PO Box 204
Kent Town SA 5071

Telephone
8366 4555

Facsimile
8332 6338

Email
townhall@npsp.sa.gov.au

Website
www.npsp.sa.gov.au



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Sustainability

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Prospect SA 5082
Telephone (08) 8269 5355
admin@prospect.sa.gov.au
www.prospect.sa.gov.au

CR20/25366

11 May 2020

Mr Rob Gregory
General Manager
East Waste
PO Box 26
MANSFIELD PARK SA 5012

Via email: RobG@eastwaste.com

Dear Rob

EAST WASTE DRAFT ANNUAL PLAN 2020-2021

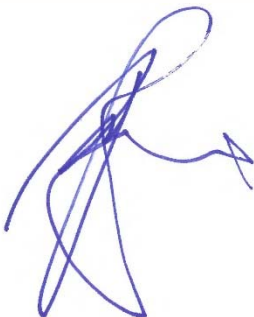
At the Council meeting on 28 April 2020, a report was presented - Item 10.4 'East Waste Annual Plan 2020-2021'. At this meeting Council resolved:

- (1) Council having considered Item 10.8 East Waste Draft Annual Plan 2020-2021 receive and note the report.*
- (1) That Council endorse the East Waste Draft Annual Plan 2020-2021 (as presented in Attachments 1-23).*
- (1) The Chief Executive Officer writes to East Waste advising of Council's decision to endorse their draft Annual Plan for 2020-2021 for final adoption by the Eastern Waste Management Authority.*

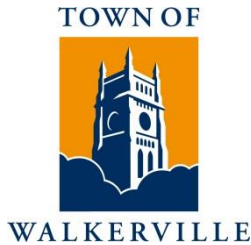
We look forward to working with East Waste to achieving the actions identified in the Annual Plan.

Please contact me if you need further information.

Yours sincerely



Nigel McBride
Chief Executive Officer



The Corporation of the Town of Walkerville

ABN 49 190 949 882

66 Walkerville Terrace, Gilberton SA 5081

PO Box 55, Walkerville SA 5081

File Number: 5.64.1.1

Please Quote Ref: EM202040373

Contact Officer: Katy Bone, Group Manager Corporate Service

Telephone: (08) 8342 7100

Facsimile: (08) 8269 7820

Email: walkerville@walkerville.sa.gov.au

www.walkerville.sa.gov.au

30 March 2020

Rob Gregory
East Waste
PO Box 26
Mansfield Park
SA 5021

Via Email: east@eastwaste.com

Dear Rob Gregory

Re: East Waste Draft Budget and Annual Business Plan 2020/ 21

At Council Ordinary meeting held on Monday 16 March 2020, Council considered the East Waste Draft Budget and Annual Business Plan 2020/21. We write to advise the following resolution was passed:

CNC317/19-20

1. That Council endorses the 2020/ 21 East Waste Draft Budget and Annual Business Plan and requests that Administration write to East Waste advising of Council's decision.

I invite you to contact Kay Bone Group Manager Corporate Services on 8342 7100 should you have any questions.

Yours Sincerely

Katy Bone
Group Manager Corporate Services

7.3: EXTERNAL AUDITOR INTERIM REPORT

REPORT AUTHOR: Manager, Corporate Services

ATTACHMENTS: A: Interim Management Report of External Audit Findings

Purpose of the Report

To provide the Audit and Risk Management Committee (the Committee) with the results of the Interim Audit conducted by Bentley's in May 2020.

Background

East Waste's appointed External Auditor, Bentley's, undertook an Interim Audit across May 2020 and the Interim Management Report provided at Attachment A details the relevant findings.

Report

The audit was undertaken remotely this year due to the impacts of Covid-19 and East Waste Administration would like to express their thanks and appreciation to the Bentley's audit team for the way in which they worked with us and managed things given the circumstances.

The results of the Interim Audit are positive and indicate that East Waste has again managed and performed well. One risk was however identified, which relates to the AASB 16 Lease Calculation and is detailed on page 6 of the Interim Audit Report. Questions surrounding the AASB 16 Lease Calculation were raised with East Waste Administration and Mr John Jovicevic during the interim audit, and the following response was provided at the time:

"Yes, the points raised re AASB 16 application need to be updated for the discount rates which impact on the NPV. We agree with the auditors."

East Waste Administration and Mr John Jovicevic discussed this at BR2 as a possible immaterial change that would be factored into the EOY adjustments. The current applied discount rate and calculation is based on the assumptions/data when we did the original exercise last year."

As of 29 May 2020, the AASB Lease Calculation has been updated in accordance with the auditor's assessment and a copy of the AASB 16 Leases Application Workbook has now been provided to Bentley's.

Mr David Papa, Partner Risk and Assurance Services (Bentley's) will be in attendance at the Committee meeting to answers any questions Committee Members may have.

Recommendation

That the Committee note and receive the Report.

Where you want to be.

ITEM 7.3 - ATTACHMENT A



East Waste Management Authority

Report of Audit Finding – Interim Audit

June 2020

David Papa, Partner
Level 5, 63 Pirie St, Adelaide SA 5000
Telephone +61 8 8372 7900
dpapa@adel.bentleys.com.au | bentleys.com.au

▶ Advisors

▶ Accountants

▶ Auditors

Executive summary

We are providing our Interim report on the audit of East Waste Management Authority for the year ending 30 June 2020.

Dear Mr Fraser Bell,

We have conducted our Interim audit of East Waste Management Authority for the year ending 30 June 2020 and report to management and those charged with governance the following matters for information purposes and for consideration of implementation or corrective action:

- At the conclusion of our testing, using the information obtained we determined if there were any material matters or concerns that would impact the decision-making ability of the users of the financial report.
- The following matters are reported to management:

	Internal controls	Financial Statements
Critical	-	-
Significant	-	-
Not Material	-	-
Are for Improvement	-	AASB 16 lease calculation

We would like to take this opportunity to thank management and staff for the assistance provided to us during the course of our interim audit.

Sincerely,



David Papa

Partner,
+61 8 8372 7900
dpapa@adel.bentleys.com.au

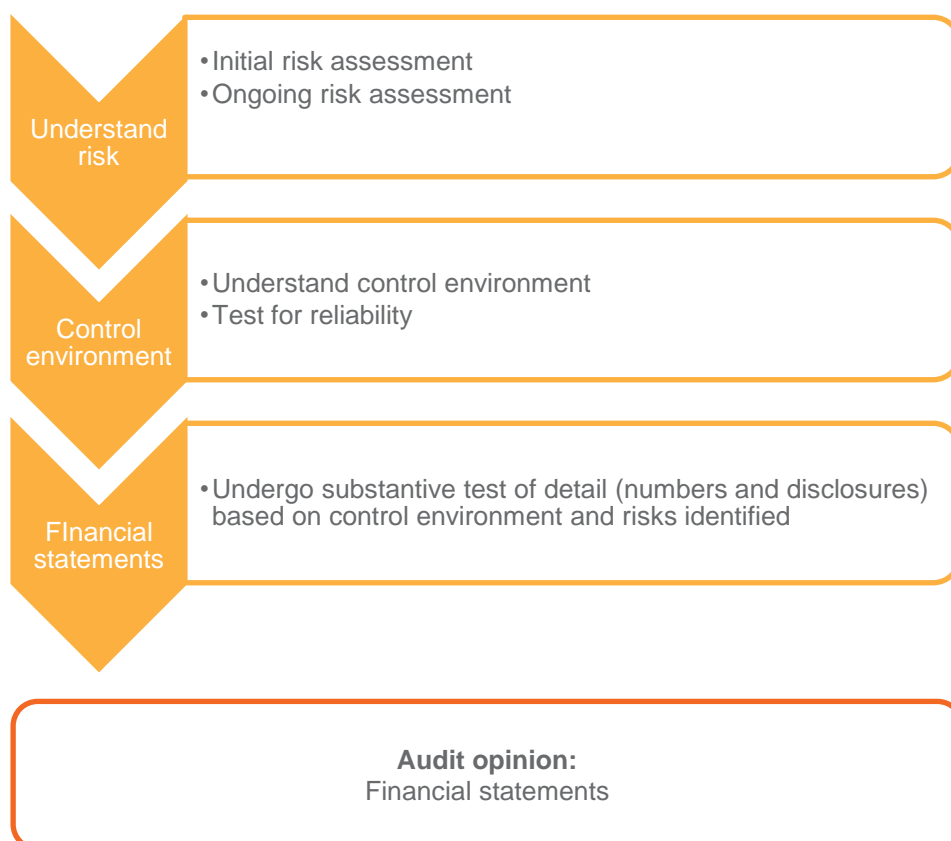


Audit approach

Helping businesses achieve their goals and aspirations.

Bentleys SA's audit approach is based on organisational and financial risk. We develop an understanding of risks for your organisation that relate to the financial statements based on our understanding of your people, your organisation and your sector. This understanding helps us build an audit program that is tailored to you each year and enables us to form an opinion on your financial statements through a target "risk based" approach. The benefits of this approach are:

- Audit efficiency
- Increased organisational assurance
- A review of your control environment
- Timely and effective audits



Financial Identified audit risks

We have identified financial statement risk relating to this year's audit.

As your auditor, our requirement to identify risk commences at the planning phase of our audit and continues throughout the audit process until complete and the audit report is signed. Below we have detailed identified risks relating to the financial statements.

Risks identified at planning

Area	Risk	Audit Approach	Outcome
Impact of COVID-19 – Internal Controls	Changes in work practices are occurring as organisations adapt to new working arrangements. This will likely result in a change to the control environment and therefore increase the risk of control failure.	Conducted additional testing over the February to April period and tested changes in the control environment to ensure they were operating effectively.	Satisfactory
Impact of COVID-19 - cashflows	Organisational cashflow may undergo strain in the short term. Whilst we do not expect a material impact on revenue or annual surplus, there will likely be a strain on cash resources that will need to be factored into budgets and long term financial plans and may impact disclosure in the financial statement.	This will be reviewed as part of our year end testing.	Pending

Identified audit risks

Area	Risk	Audit Approach	Outcome
New accounting standards	<p>Risk that adoption of new accounting standard being AASB 16 is materially incorrect.</p> <p>Risk that disclosure within the financial statements is insufficient and not in line with the requirements of the new accounting standards.</p>	A review of lease calculation has indicated that right to use asset and lease liabilities are brought on the balance sheet under AASB 16.	Refer to next page



Financial statement matters for the year

We bring the following financial statement matters to your attention in relation to your financial statements.

Issue

AASB 16 Lease calculation

Observation

Our review of the lease calculation identified a discount rate of 4.1% was used in the calculation of the right of use asset (\$1,321,125) relating to the property at Temple Court. Based on our understanding you should apply the incremental borrowing rate per the account standards, which is to be determined. This may result in a different liability to that which is currently recorded. For example, a change of the rate to 4% will increase in the lease liability by \$33k.

Requirement

AASB 16 requires the incremental borrowing rate or rate implicit in the lease be used in calculating NPV.

Recommendation

Management review the lease calculation spreadsheet and assumptions and ensure it is in line with AASB 16 requirements.

Management response

Matters for those charged with governance

Fraud

Whilst fraud is not the primary consideration when conducting an external audit, we have not identified any fraud as a result of our audit.

We believe it is important for management to continually consider and assess the control environment of the entity to identify areas where fraud can occur and ensure that those opportunities are removed and or monitored to reduce the risk and impact of fraud.

Legal compliance

Through our audit procedures we have not become aware of any non-compliance with applicable laws and regulations.

Financial reporting and accounting policies

We believe the accounting policies elected for the authority are reasonable and their application provides sufficient information for use of the decision makers.

Going concern

As part of our assessment we considered the appropriateness of the going concern assumption concluded by the authority and management. Our procedures indicate that this assumption is fair and that the going concern convention is appropriate.

Cooperation with management

The management team has been helpful and cooperative throughout the conduct of this year's audit.

Our assessment of the above areas relates to the interim period only and will be reassessed at year end.

7.4: REVIEW OF EAST WASTE POLICIES

REPORT AUTHOR: Manager, Corporate Services
ATTACHMENTS: A: East Waste Sub-delegations
B: East Waste Procurement Policy
C: East Waste Sale and Disposal of Assets Policy

Purpose of the Report

To seek the Audit and Risk Management Committees input into the review of the following policies:

- East Waste Sub-delegations;
- East Waste Procurement Policy; and
- East Waste Sale and Disposal of Assets Policy.

Background

All three (3) policies attached are due for review prior to November 2020. The version control table located at the end of each policy details the history of the document. In accordance with the review date, the three (3) policies are now tabled for review of the Audit and Risk Management Committee (the Committee).

Report


Each of the policies was a 'new document' when it was tabled in early 2018. As a result, the documents remain contemporary and are consistent with the *Local Government Act 1999* and the East Waste Charter. The documents, in their current form, are 'workable documents' that have aided the East Waste Board and East Waste Administration in the execution of their duties.

On this basis, the policies are tabled without any recommended amendments, however the expertise of the Committee is welcomed in any suggested amendments, additions or deletions to the three (3) documents.

Recommendation

That the Committee recommend:

- 1. The *East Waste Sub-delegations Policy* as presented in Attachment A, to the East Waste Board for endorsement.**
- 2. The *East Waste Procurement Policy* as presented in Attachment B, to the East Waste Board for endorsement.**
- 3. The *East Waste Sale and Disposal of Assets Policy* as presented in Attachment C, to the East Waste Board for endorsement.**

	SCHEDULE OF SUB-DELEGATION	Version No:	1.1
		Issued:	22.02.2018
		Next Review:	No later than November 2020


Eastern Waste Management Authority Inc (East Waste)

Schedule of Sub-delegations made by the General Manager under Clause 29.9.1 of the East Waste Charter


These delegations are to be exercised in accordance with relevant East Waste policies, procedures and guidelines.

1. FUNCTIONS NOT DELEGATED BY THE GENERAL MANAGER

Authority	Position
Position Management	
Create a position (within annual budget)	<i>General Manager</i>
Classify a vacant position	<i>General Manager</i>
Abolish a vacant position	<i>General Manager</i>
Reclassify a position and incumbent	<i>General Manager</i>
Determine criteria for a position	<i>General Manager</i>
Approve a job and person specification for a new or reclassified position	<i>General Manager</i>
Approve the performing of higher duties	<i>General Manager</i>
Recruitment and Appointment	
Approve the advertising of a: <ul style="list-style-type: none"> vacant position contractor/project position (i.e over establishment/headcount) 	<i>General Manager</i>
Appoint to a position (permanent, casual, contractor, project)	<i>General Manager</i>
Appoint casual staff for greater than 6 months	<i>General Manager</i>
Determine if a position is to be advertised via internal or external recruitment process	<i>General Manager</i>
Appoint without a merit based selection process	<i>General Manager</i>
Convert an employee on a temporary (term) contract to ongoing provided there has been a merit based selection process	<i>General Manager</i>
Determine conditions of employment	<i>General Manager</i>

	SCHEDULE OF SUB-DELEGATION	Version No:	1.1
		Issued:	22.02.2018
		Next Review:	No later than November 2020

Leave	
Approve annual/personal/emergency personal/parental leave for direct reports	<i>General Manager</i>
Approve long service leave	<i>General Manager</i>
Approve cashing out of long service leave following 10 years' service	<i>General Manager</i>
Flexible Working Arrangements	
Approve a variation to working hours for greater than 12 months	<i>General Manager</i>
Approve purchased leave arrangement	<i>General Manager</i>
Rescind a flexi-time arrangement	<i>General Manager</i>
Conflict of Interest	
Direct an employee to resolve a conflict of interest between a pecuniary or other personal interest or their duty as an employee	<i>General Manager</i>
Grievance	
Determine the outcome of an investigation resulting from an appeal or grievance	<i>General Manager</i>
Disciplinary/Performance Management	
Require an employee to provide medical certification confirming they are fit for duty	<i>General Manager</i>
Determine the outcome of an investigation as a result of performance management issues	<i>General Manager</i>
Reprimand as a result of disciplinary action	<i>General Manager</i>
Terminate employment as a result of disciplinary action	<i>General Manager</i>
Deem an employee to have resigned (absent without authority)	<i>General Manager</i>
Outside Employment	
Approve staff to engage in outside employment	<i>General Manager</i>
Excess Employees	
Determine an employee is excess to requirements	<i>General Manager</i>
Remuneration	
Approve on-call allowance	<i>General Manager</i>
Approve overtime for direct reports	<i>General Manager</i>


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1.2 APPROVE TRAVEL


Authority	Position
Approve Travel	
Approve intrastate travel and accommodation – all staff	<i>General Manager</i>
Approve interstate travel and accommodation – all staff	<i>General Manager</i>
Approve overseas travel and accommodation – all staff	<i>East Waste Board</i>

2. HUMAN RESOURCE DELEGATION


Authority	Position
Position Management	
Authorise hours of work	<ul style="list-style-type: none"> ▪ <i>General Manager</i> ▪ <i>Manager, Corporate Services</i> ▪ <i>Manager, Operational Services</i> ▪ <i>Operations Coordinator</i>
Engage casual staff for less than 1 month	<ul style="list-style-type: none"> ▪ <i>General Manager</i> ▪ <i>Manager, Corporate Services</i> ▪ <i>Manager, Operational Services</i> ▪ <i>Operations Coordinator</i>
Remuneration	
Approve overtime	<ul style="list-style-type: none"> ▪ <i>General Manager</i> ▪ <i>Manager, Corporate Services</i> ▪ <i>Manager, Operational Services</i> ▪ <i>Operations Coordinator</i>
Approve employees to receive meal allowance	<ul style="list-style-type: none"> ▪ <i>General Manager</i> ▪ <i>Manager, Corporate Services</i> ▪ <i>Manager, Operational Services</i> ▪ <i>Operations Coordinator</i>
Leave	
Approve annual leave for direct reports	<ul style="list-style-type: none"> ▪ <i>General Manager (can approve all staff)</i> ▪ <i>Manager, Corporate Services</i>

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	<ul style="list-style-type: none"> ▪ <i>Manager, Operational Services</i> ▪ <i>Operations Coordinator</i>
Approve personal leave for direct reports	<ul style="list-style-type: none"> ▪ <i>General Manager (can approve all staff)</i> ▪ <i>Manager, Corporate Services</i> ▪ <i>Manager, Operational Services</i> ▪ <i>Operations Coordinator</i>
Flexible Working Arrangements	
Approve flexible working hours arrangements for less than 12 months	<ul style="list-style-type: none"> ▪ <i>General Manager</i> ▪ <i>Manager, Corporate Services</i> ▪ <i>Manager, Operational Services</i> ▪ <i>Operations Coordinator</i>
Authorise rostered days off	<ul style="list-style-type: none"> ▪ <i>General Manager</i> ▪ <i>Manager, Corporate Services</i> ▪ <i>Manager, Operational Services</i> ▪ <i>Operations Coordinator</i>
Disciplinary/Performance Management	
Take action in relation to a conflict, disciplinary, bullying or sexual harassment matter, in conjunction with advice from the General Manager	<ul style="list-style-type: none"> ▪ <i>General Manager</i> ▪ <i>Manager, Corporate Services</i> ▪ <i>Manager, Operational Services</i> ▪ <i>Operations Coordinator</i> ▪ <i>Risk & WHS Coordinator</i>
Resignation	
Accept a resignation	<ul style="list-style-type: none"> ▪ <i>General Manager</i> ▪ <i>Manager, Corporate Services</i> ▪ <i>Manager, Operational Services</i>
Workplace Health and Safety	
Report accidents	<ul style="list-style-type: none"> ▪ <i>All East Waste staff</i>
Undertake investigation	<ul style="list-style-type: none"> ▪ <i>General Manager</i> ▪ <i>Manager, Corporate Services</i> ▪ <i>Manager, Operational Services</i>

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	<ul style="list-style-type: none"> ▪ Risk & WHS Coordinator ▪ Operations Coordinator
Complete Return to Work form(s)	<ul style="list-style-type: none"> ▪ General Manager ▪ Risk & WHS Coordinator ▪ Manager, Corporate Services ▪ Manager, Operational Services ▪ Finance & Executive Administration Officer
Lodge documents with LGRS	<ul style="list-style-type: none"> ▪ General Manager ▪ Risk & WHS Coordinator ▪ Manager, Corporate Services ▪ Manager, Operational Services ▪ Finance & Executive Administration Officer
Appoint to the WHS Committee	<ul style="list-style-type: none"> ▪ General Manager
Appoint a Fire Warden	<ul style="list-style-type: none"> ▪ General Manager ▪ Risk & WHS Coordinator ▪ Manager, Corporate Services ▪ Manager, Operational Services
Appoint a WHS representative	<ul style="list-style-type: none"> ▪ General Manager ▪ Manager, Corporate Services ▪ Manager, Operational Services ▪ Risk & WHS Coordinator
Appoint a First Aid Officer	<ul style="list-style-type: none"> ▪ General Manager ▪ Manager, Corporate Services ▪ Manager, Operational Services ▪ Risk & WHS Coordinator ▪ Operations Coordinator

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3. FINANCIAL DELEGATION

Position	Amount Authorised (excluding GST)
General Manager	\$250,000*
Manager, Corporate Services	\$50,000
Manager, Operational Services	\$50,000
Finance and Executive Administration Officer	\$10,000
Operations Coordinator	\$5,000
Risk & WHS Coordinator	\$5,000
Administration Officer - Workshop	\$500
Customer Service Officers	\$500 (stationery purchases only)

*Amount takes into consideration individual creditor payments to be authorised by the General Manager which can reach between \$150,000 - \$200,000 i.e. Monthly Jeffries invoice


Financial Delegation

A financial delegation prescribes the dollar amount up to which a staff member is authorised to commit and/or expend in accordance with the approved Annual Plan and Budget.

In accordance with Clause 11.2 of the East Waste Charter, transactions not authorised in the Annual Plan and Budget will not exceed \$50,000. Any transaction not authorised in the Annual Plan and Budget is required to be tabled before the East Waste Board for consideration.

Petty Cash Authorisations

The General Manager, Manager Corporate Services and Manager Operational Services are delegated to authorise Petty Cash purchases. Petty Cash purchases greater than \$50 must be countersigned by the Finance and Executive Administration Officer, or General Manager, or Manager Corporate Services or Manager Operational Services.

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Authority to process journals	Position
Standing and ad hoc adjustment journals	<ul style="list-style-type: none"> General Manager Finance and Executive Administration Officer Manager, Corporate Services <i>Two delegates to sign off</i>
Standing journals	<ul style="list-style-type: none"> General Manager Finance and Executive Administration Officer Manager, Corporate Services <i>Only one signatory required</i>

Authorise the transfer of funds from East Waste's Bank Account	Delegation
General Manager	<i>Two delegates to sign off</i>
Finance and Executive Administration Officer	
Manager, Corporate Services	

4. POSITION TITLES

At any time a new position is created, the sub-delegations will be amended accordingly and tabled before the East Waste Board for consideration, and approval, where appropriate.

Any change in title for current positions will not affect their approved sub-delegations.

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Document History:	Version No:	Issue Date:	Description of Change:
	1.0	FEBRUARY 2018	New Document
	1.1	JUNE 2020	

	PROCUREMENT POLICY	Version No: 1.1
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1. PURPOSE

The Eastern Waste Management Authority (herein referred to as East Waste) recognises its obligation to continuously improving management systems, and an integral process in its Officers meeting due diligence requirements.

As such, the organisation is committed to implementing this process and assisting its Officers to meet due diligence requirements through procurement.

The purpose of this Policy is to establish a framework of principles relating to the procurement activities undertaken by the Eastern Waste Management Authority (East Waste) in accordance with:

- Section 49 of the *Local Government Act, 1999* (the Act); and
- Clauses 39.1.2 and 63 of the Eastern Waste Management Authority Charter (the Charter).

1.2 Clause 39.1.2 of the Charter requires East Waste to prepare and adopt, and thereafter keep under review a policy on contracts and tenders, as would conform to Section 49 of the Act;

1.3 Clause 63 of the Charter provides for East Waste to acquire such assets (real or personal) as its Business Plan provides or otherwise pursuant to a Unanimous Decision of the Constituent Councils;

1.4 Section 49 of the Act requires East Waste to prepare and adopt policies on contracts and tenders on:

- 1.4.1 the contracting out of services; and
- 1.4.2 competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and
- 1.4.3 the use of local goods and services.

1.5 Further, Section 49(1) of the Act requires East Waste to develop and maintain policies, practices and procedures directed towards:

- 1.5.1 obtaining value in the expenditure of public money; and
- 1.5.2 providing for ethical and fair treatment of participants; and
- 1.5.3 ensuring probity, accountability and transparency in procurement operations.

2. POLICY OBJECTIVE

East Waste aims to achieve advantageous procurement outcomes by:

- 2.1 enhancing value for money through fair, competitive, non-discriminatory procurement;

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- 2.2 promoting the use of resources in an efficient, effective and ethical manner;
- 2.3 making decisions with probity, accountability and transparency;
- 2.4 advancing and/or working within East Waste's economic, social and environmental policies;
- 2.5 providing reasonable opportunity for competitive local businesses to supply to East Waste;
- 2.6 appropriately managing risk; and
- 2.7 ensuring compliance with all relevant legislation.

3. POLICY SCOPE

This Policy applies to all East Waste employees and Board Members when undertaking procurement activities associated with the acquisition of Goods, Works or Services of any value by East Waste.

4. POLICY PRINCIPLES

East Waste must have regard to the following principles in its acquisition of goods and services:

- 4.1 Encouragement of open and effective competition
- 4.2 Obtaining Value for Money
 - 4.2.1 Value for Money involves obtaining goods, works or services for East Waste that best meet the end user's needs at the lowest total cost with the minimal level of acceptable contractual risk;
 - 4.2.2 Value for Money is not restricted to price alone; and
 - 4.2.3 An assessment of value for money must include, where possible, consideration of fitness for purpose, fair market prices, local economic development and whole of life costs;
- 4.3 Probity and Ethical Behaviour
 - 4.3.1 East Waste will not use or disclose information that confers unfair advantage, financial benefit or detriment to a supplier; and
 - 4.3.2 East Waste employees engaged in purchasing should at all times undertake their duties in a professional, ethical, honest and impartial manner, act responsibly and exercise sound judgement by observing the highest standards of integrity and professional conduct in line with the Code of Conduct requirements.

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4.4 Accountability and Transparency

- 4.4.1 Accountability in procurement means being able to explain and evidence what has happened. An independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable;
- 4.4.2 East Waste's Instrument of Sub-delegations define the limitations within which employees are permitted to operate. The sub-delegations ensure accountability and provide confidence to East Waste and the public that purchasing activities are dealt with at the appropriate level. As such, East Waste has delegated responsibilities to employees relating to the expenditure of funds for the purchase of goods and services and the acceptance of tenders; and
- 4.4.3 Employees involved in procurement activities must be able to account for their decisions and provide evidence or feedback where required.

4.5 Ensuring compliance with all relevant legislation

- 4.5.1 Purchasing activities are to be conducted in accordance with legislative and common law responsibilities. These include but are not limited to the *Local Government Act 1999*, *Competition and Consumer Act 2010*, the *Independent Commissioner Against Corruption Act 2012*, the *Freedom of Information Act 1991*, National Competition Policy and other relevant legislation, industrial awards and agreements and international trade agreements.

4.6 Work, Health & Safety

- 4.6.1 East Waste will only engage suppliers and/or contractors who are able to maintain a level of WHS that is acceptable in accordance with East Waste's WHS Policies and Procedures, and any additional requirements specified in terms and conditions of contractual arrangements.

4.7 Sustainable Procurement

- 4.7.1 Sustainable procurement is defined as a process whereby East Waste meets its procurement needs in a way that achieves value for money on a whole-of-life basis in terms of generating benefits not only to the organisation, but also to our Member Councils, the community, the economy and the environment.

4.8 Environmental Preference

Where appropriate, East Waste will seek to:

- 4.8.1 Promote the purchase of environmentally friendly goods and services that satisfy value for money criteria;
- 4.8.2 Align East Waste's procurement activities with principles of ecological sustainability;
- 4.8.3 Purchase recycled and environmentally preferred products;

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- 4.8.4 Integrate relevant principles of waste minimisation and energy;
- 4.8.5 Encourage the development of products and services which have a low environmental impact;
- 4.8.6 Provide leadership to business, industry and the community in promoting the use of environmentally sensitive goods and services.

5. APPROVALS REQUIRED

- 5.1 In any procurement, there needs to be both expenditure and contracting delegated authority.
- 5.2 No goods, works or services may be procured unless they form part of a budget which has been formally approved by the East Waste Board. Expenditure that does not form part of an approved budget may not be incurred or committed without formal approval of the East Waste Board or the General Manager.
- 5.3 Expenditure authorities, as outlined in East Waste's Instrument of Sub-delegations, are to be exercised by the appropriate delegate prior to commencing with the procurement process.
- 5.4 Where possible, the requisitioning authority and authorising authority for the procurement of goods, works or services should not be exercised by the same delegate.

6. METHODS OF PROCUREMENT

Generally, open and fair competition is achieved by undertaking a procurement process so that all interested parties have an opportunity to bid. However, there may be procurements in which a tender process will not necessarily deliver the most advantageous outcome for East Waste – in such cases other market approaches may be more appropriate.

East Waste may, having regard to its Policy Principles and any other factors considered relevant by East Waste, in their discretion, determine to utilise one or more of the following procurement methods:

6.1 *Direct Purchasing*

- 6.1.1 This is where East Waste purchases from a single source, without first obtaining competing bids.
- 6.1.2 This method may be suitable for low value, low risk goods and services or where the supplier has a successful service history with East Waste or where the supplier has particular expertise required by East waste, for instance in the case of a consultant or professional services provider.

6.2 *Request for Quotations (RFQ)*

- 6.2.1 This is where East Waste obtains written quotations from prospective suppliers.

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6.2.2 Generally, a minimum of three written quotations are sought.

6.2.3 This method may be suitable for simple, largely price-based purchases.

6.3 *Requests for Expressions of Interest (REOI)*

6.3.1 This is where East Waste issues an open invitation for the proposed acquisition of goods, works or services.

6.3.2 This method may be used where is potentially a large market for the proposed goods and/or service, and East Waste would like to be able to prepare a short list of suppliers to then invite to participate in a tender process.

6.4 *Request for Tender (RFT)*

6.4.1 This is where East Waste issues a tender for proposed goods, works or services.

6.4.2 East Waste may issue a 'Select' Request for Tender where it has already issued a REOI, or where it has reasonable grounds for only dealing with a select group of potential suppliers.

6.4.3 Otherwise, East Waste may issue an 'Open' Request for Tender.

6.5 *Panel contracts*

6.5.1 This is where East Waste establishes panel arrangements with a select group of suppliers – generally, this occurs once East Waste has completed its appointment of such suppliers in accordance with this Policy, and can include either:

6.5.1.1 a standing offer from a pool of suppliers for the provision of goods and services on agreed terms; or

6.5.1.2 the prequalification of certain suppliers who may or may not be engaged on terms to be agreed.

6.5.2 Once a panel has been established, East Waste may purchase the particular goods and/or service through such panel arrangements.

6.6 *Strategic alliances*

6.6.1 This is where East Waste undertakes procurement through contract arrangements already established and administered by other organisations, which may include:

6.6.1.1 LGA Procurement;

6.6.1.2 Council Solutions;

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6.6.1.3 Procurement Australia;

6.6.1.4 State Government contracts.

7. MINIMUM PROCUREMENT REQUIREMENTS

The appropriate method of procurement will be determined by reference to a number of factors, including:

7.1 Value of the Purchase

Value of Purchase	Minimum Procurement Requirement	Applicable Procurement Method	Decision Making Responsibility
< \$10,000	One quotation *	Direct Purchasing Request for Quotations (RFQ) Request for Expression of Interest (REOI) Request for Tender (RFT) Panel Contracts Strategic Alliances	Employees – within the limit of their delegated purchasing authority (see Instrument of Sub-delegations) and the approved budget.
\$10,001 to \$50,000	Three quotations	Request for Quotations (RFQ) Request for Expressions of Interest (REOI) Request for Tender – Open or Select Panel Contracts Strategic Alliances	Employees – within the limit of their delegated purchasing authority (see Instrument of Sub-delegations) and the approved budget.
> \$50,001	Open Request for Tender or EOI	Request for Expressions of Interest (REOI) Request for Tender (RFT) – Open Panel Contracts Strategic Alliances	East Waste Board – taking into account recommendations by employees

*Quotations – must be received in writing

The value of the purchase will be calculated as follows:

7.1.1 *single one-off purchase* – the total amount, or estimated amount, of the purchase (excluding GST);

7.1.2 *multiple purchases* – the gross value, or the estimated gross value, of the purchases (excluding GST); or

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7.1.3 *ongoing purchases over a period of time* – the annual gross value, or the estimated annual gross value, of the purchases (excluding GST).

7.1.4 Splitting amounts to bring expenditure within lower limits is not permitted.

7.2 *cost of an open market approach versus the value of the acquisition and the potential benefits;*

7.3 *the particular circumstances of the procurement activity;*

7.4 *the objectives of the procurement;*

7.5 *the size of the market and the number of competent suppliers;*

7.6 *East Waste's leverage in the marketplace;*

7.7 *time constraints;*

7.8 *a global assessment of the risks associated with the relevant activity and/or project, including the risk profile of the procurement and any risks associated with the preferred procurement method.*

8 DELEGATED PURCHASING AUTHORITY

The East Waste Board makes delegations to the General Manager under the East Waste Charter and Local Government Act 1999. This power is sub-delegated by the General Manager to other East Waste employees in accordance with the Instrument of Sub-delegations.

Only East Waste employees with delegated authority under the East Waste Charter can incur expenditure on behalf of East Waste.

9 RECORDS

East Waste must record written reasons for using a specific procurement method in each activity and where it uses a procurement method other than tendering.

10 EXEMPTIONS FROM THIS POLICY

10.1 This Policy contains general guidelines to be followed by East Waste in its procurement activities. There may be emergencies, or procurements in which a tender process will not necessarily deliver best outcome for East Waste, and other market approaches may be more appropriate. This includes when there are timing constraints and where the supply market is known.

10.2 In certain circumstances, the East Waste Board or General Manager (where the power is delegated) may waive application of this Policy and pursue a method which will bring the best outcome for East Waste. The General Manager must record and report its reasons to the East Waste Board for any waiving or deviation from application of this Policy.

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11 PROCUREMENT PROCEDURES

The General Manager has the delegation to approve, amend and review any procedures that shall be consistent with this Policy.

12 RELATED DOCUMENTS

- Local Government Act 1999
- East Waste Charter

Document History:	Version No:	Issue Date:	Description of Change:
	1.0	FEBRUARY 2018	New Document (superseded Purchase of Goods and Service Policy)
	1.1	JUNE 2020	

	SALE OR DISPOSAL OF ASSETS POLICY	Version No: 1.1
		Issued: 26.04.18
		Next Review: No later than November 2020

1. OVERVIEW

This policy provides a framework relating to the sale or disposal of assets and outlines East Waste's approach in preparing an asset for sale or disposal in accordance with Clauses 10.9¹ and 64² of the East Waste Charter.

2. INTERPRETATION

2.1 For the purpose of this Policy:


- 2.1.1 "Employee" means a person employed by East Waste.
- 2.1.2 "Open Tender" means a tender that is advertised to the entire market via an open invitation process e.g. SA Tenders website accompanied by an advertisement.
- 2.1.3 "Public Auction" a sale of property/asset where the property/asset is held for sale to the market and sold to the highest bidder.
- 2.1.4 "Expression of Interest" means an Expression of Interest (EOI) is advertised to the entire market e.g. SA Tenders website accompanied by an advertisement.
- 2.1.5 "Trade-in" involves including an asset owned by East Waste in the purchase of another asset, usually of similar characteristics, in order to achieve an efficient asset change-over transaction.

3. SALE OR DISPOSAL PRINCIPLES

3.1 Prior to commencing any process, the following key principles will apply:

- 3.1.1 Consistency with and relevant to East Waste's Annual Plan and 10 Year Business Plan;
- 3.1.2 Transparency and accountability in the sale and disposal procedures and practices, ensuring that East Waste obtains the best possible price in the circumstances surrounding the sale, and that all potential purchasers are given equal opportunity to purchase the asset(s);
- 3.1.3 Compliance with the transaction amounts stipulated in the East Waste Charter and/or Instrument of Financial Sub-delegations (whichever is relevant to the sale or disposal);
- 3.1.4 Compliance with statutory and other obligations;
- 3.1.5 Where applicable, compliance with East Waste's Procurement Policy;

1. Clause 10.9 of the East Waste Charter states (in part) that the Authority may dispose of any real or personal property in accordance with the Business Plan or otherwise with a Unanimous Decision of the Constituent Councils.
2. Clause 64 of the East Waste Charter states that the Authority may dispose of (personal) assets as its Business Plan provides, or at the end of the asset's economic life.

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3.1.6 Commercial confidentiality within legislative constraints; and

3.1.7 Other relevant factors deemed appropriate by East Waste.

3.2 East Waste may utilise one or more of the following methods to sell or dispose of an asset(s):

3.2.1 Trade-in;

3.2.2 Public auction;

3.2.3 Expression of Interest; or

3.2.4 Open tender.

3.3 East Waste will evaluate the most appropriate method for the sale or disposal of asset(s) that includes:

3.3.1 As far as possible, surplus assets or materials should be disposed of in a way that maximises returns whilst maximising open, transparent and effective competition;

3.3.2 East Waste approaching the market using a formal tender process for the sale of an asset where the value exceeds \$50,000;

3.3.3 East Waste, at its discretion, may determine not to call for tenders (clause 3.3.2) in respect of a particular sale or disposal where it is deemed it is in the best commercial interests of East Waste and its Constituent Councils;

3.3.4 East Waste will however record, and report to the Board, the reasons for utilising an alternative disposal method; and


3.3.5 East Waste's General Manager must ensure that no conflict of interest occurs in or as a result of the asset disposal process.

4. UNSOLICITED PROPOSALS TO EAST WASTE FOR THE SALE OR DISPOSAL OF ASSETS

4.1 In the event that an unsolicited proposal for the purchase of an asset is received; it should be directed to East Waste's General Manager in the first instance. The proposal should then follow the sale and disposal principles in section 3.3 of this Policy.

5. SALE OR DISPOSAL TO EMPLOYEE/BOARD MEMBERS

5.1.1 Sale of assets to employees/Board Members/Member Council staff and Elected Members is not to occur outside of a public process.

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5.1.2 The Independent Commission Against Corruption (ICAC) also recommends that invitations to bid for the purchase of any surplus East Waste assets should not be limited to employee or to Board Members. Members of the public must also be allowed to compete for the purchase.

6. RELATED DOCUMENTS

6.1 East Waste Charter

6.2 Asset Management Register

Document History:	Version No:	Issue Date:	Description of Change:
	1.0	APRIL 2018	New Document (superseded Sale and Disposal of Land and other Major Assets
	1.1	JUNE 2020	

7.5: DRAFT EAST WASTE STRATEGIC PLAN 2020-30

REPORT AUTHOR: General Manager

ATTACHMENTS: Nil

Purpose of the Report

To provide, as information only, a copy of the draft *East Waste Strategic Plan 2020-30*, as presented to Member Councils and key stakeholders.

Background

Section 43.1 of the *Eastern Waste Management Authority Charter* requires the Authority to “...prepare at least a ten-year Business Plan for the region, in a collaborative manner with Constituent Councils which cannot be in conflict with this Charter.”

Administration in consultation with the Board and Member Councils have developed a draft Strategic Plan and distributed to Member Councils for comment, prior to August 2020.

Report

Due to the size of the report it is not included within these papers, however a copy can be downloaded by clicking [here](#). Comments from the Committee as a whole, or individual members of the Committee are encouraged prior to Thursday 27 August 2020.

RECOMMENDATION

That the Committee notes and receives the report.