



Eastern Waste Management Authority Ordinary Board Meeting

Agenda

Thursday 30 April 2026

Notice is hereby given that a meeting of the Board of the Eastern Waste Management Authority will be held in the Mayor's Parlour, City of Norwood, Payneham & St Peters, 175 The Parade, Norwood, on Thursday 30 April 2026 commencing at 5:30 pm.

A handwritten signature in black ink, appearing to be "L. Leyland", written over a horizontal line.

Leonard Leyland
General Manager

Acknowledgement of Country

We would like to acknowledge this land that we meet on today is the traditional lands for the Kurna people and that we respect their spiritual relationship with their country.

We also acknowledge the Kurna people as the custodians of the Adelaide region and that their cultural and heritage beliefs are as important to the living Kurna people today.



Agenda

Eastern Waste Management Authority Ordinary Meeting of the Board of Management

Meeting to be held on Thursday 30 April 2026 commencing at 5.30 pm
at the City of Norwood, Payneham & St Peters, 175 The Parade, Norwood.

1. Present

2. Acknowledgement of Country

3. Apologies

4. Declarations of Interest

If a Board Director has an interest in a matter before the Board, they are asked to disclose the interest to the Board and provide full and accurate details of the relevant interest. Members are reminded to declare their interest before each item.

5. Confirmation of the Minutes

5.1 Recommendation:

That the Minutes of the Eastern Waste Management Authority Ordinary East Waste Board Meeting held on 26 February 2026 be confirmed as a true and correct record.

5.2 Circular Resolutions Passed Since Last Meeting

A copy of a circular resolution titled 'Appointment of Board Representative to East Waste Audit & Risk Management Committee' was circulated to all Directors on 1 April 2026 and passed on 13 April 2026 after being duly signed in accordance with Clause 35.11 of the East Waste Charter by a simple majority of required Directors.

Recommendation

That the East Waste Board:

1. Ratifies the circular resolution dated 1 April 2026 recommending the appointment of Mr Andrian Wiguna as the Board representative to the Audit and Risk Management Committee.
2. In accordance with Schedule 2, Clause 30(3) of the *Local Government Act 1999*, authorises the General Manager to seek approval of Mr Wiguna's appointment to the Audit and Risk Management Committee from the Constituent Councils.

6. Matters arising from the Minutes

7. Questions Without Notice

8. Presentations

9. Reports

9.1	General Manager's Update	Page 11
9.2	Financial Report: FY2026 - Budget Review Three	Page 16
9.3	Review of the Long-Term Financial Plan	Page 27
9.4	External Interim Audit Report	Page 46
9.5	Review of the East Waste Charter	Page 90
9.6	Draft Public Interest Disclosure Procedure	Page 127
9.7	Draft Fraud and Corruption Prevention Policy	Page 147
9.8	Information Report for April 2026	Page 156

10. Confidential Reports

11. Other Business

12. Next Meeting of the Board

The next Ordinary East Waste Board Meeting is proposed to be held on:
Thursday 25 June 2026, at 5.30 pm at the City of Norwood, Payneham & St Peters,
175 The Parade, Norwood.

13. Closure of Meeting



**Eastern Waste Management Authority
Ordinary Board Meeting**

Minutes

Thursday 26 February 2026

Minutes

Eastern Waste Management Authority Ordinary Meeting of the Board of Management

Meeting held on Thursday 26 February 2026 commencing at 5.30 pm,
at the City of Norwood, Payneham & St Peters, 175 The Parade Norwood.

The Chair, Mr F Bell declared the meeting open at 5.28 pm and that a quorum was present.

1. The Chair read the Acknowledgement of Country.

2. Present

Directors:

Mr F Bell	Independent Chairperson
Deputy Mayor L Huxter	Adelaide Hills Council (<i>entered the meeting at 5.36 pm</i>)
Cr T Jennings	City of Burnside
Mr A Wiguna	Campbelltown City Council
Cr P George	City of Mitcham
Cr G Piggott	City of Norwood, Payneham & St Peters (<i>entered the meeting at 5.29 pm</i>)
Mr S Dilena	City of Prospect (<i>entered the meeting at 5.35 pm</i>)
Mr A Wood	City of Unley
Cr J Allanson	Town of Walkerville

Deputy Directors:

Mr J Zeppel	Town of Walkerville (Observer)
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In Attendance:

Mr L Leyland	General Manager
Mr D Maywald	Manager Business Services
Ms K Vandermoer	Manager HR & Financial Services
Mr A Velloor	Finance Business Partner
Ms V Davidson	Executive Administration Officer.

3. Apologies

Nil.

4. Disclosures of interest

Nil.

5. Confirmation of the minutes

5.1 Minutes of the Eastern Waste Management Authority Ordinary Board Meeting

Cr G Piggott entered the meeting at 5.29 pm.

Moved Cr T Jennings that the Minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on 20 November 2025 be confirmed as a true and correct record.

Seconded: Cr J Allanson

Carried

6. Matters arising from the minutes

Nil.

7. Questions without notice

Nil.

8. Presentations

Nil.

9 Reports

9.1 Financial Statements – Budget Review Two

Mr S Dilena entered the meeting at 5.35 pm.

Deputy Mayor Lucy Huxter entered the meeting at 5.36 pm.

Moved Cr T Jennings that the East Waste Board adopts the forecasted end of year FY2026 result associated with the 2025/26 Budget Review Two.

Seconded: Cr G Piggott

Carried

9.2 Draft 2026/27 Annual Plan & Budget

Moved Mr S Dilena that the East Waste Board, having considered the comments provided by the Audit & Risk Management Committee:

1. approve the Draft East Waste 2026/27 Annual Plan, as presented in Attachment A, Item 9.2, East Waste Board Meeting, 26 February 2026, to be distributed to the Constituent Councils for their consideration and adoption.
2. adopt the associated draft 2026/27 Budget and assumptions;
3. authorise the General Manager to distribute to each Member Council for review and comment, the Draft 2026/27 Annual Plan, as presented in Attachment A, Item 9.2, East Waste Board Meeting, 26 February 2026, along with the proposed fees.
4. authorise the General Manager to make amendments of a formatting or grammatical nature to the Draft East Waste 2026/27 Annual Plan.

Moved Cr G Piggott that the 2026/2027 sitting fees for Independent Members of the Audit & Risk Management Committee to be as follows:

- a) Independent Chair - \$682 per meeting
- b) Independent Member - \$568 per meeting.

and that these fees be included in the 2026/27 Budget.

Seconded: Cr J Allanson

Carried

9.3 Strategic Risk Register Review

Moved Cr G Piggott that the East Waste Board, having considered the updated Strategic Risk Register (*Attachment B, Item 9.3, Board Meeting 26 February 2026*) notes the updates and endorses the Strategic Risk Register inclusive of the amendments tabled at the meeting.

Seconded: Cr T Jennings

Carried

9.4 Appointment of a Deputy Chair to the East Waste Board

The Chair called for nominations for the position of Deputy Chair of the East Waste Board.

Cr T Jennings nominated Cr G Piggott; Cr Piggott accepted the nomination.

The Chair called for further nominations.

There being no further nominations the following motion was put:

Moved Cr T Jennings that in accordance with clause 28 of the East Waste Charter, the East Waste Board appoints Cr Grant Piggott to the position of Deputy Chair to the East Waste Board for a term of two (2) years commencing on 27 February 2026.

Seconded: Deputy Mayor L Huxter

Carried

9.5 Appointment of a Board Member to the Audit & Risk Management Committee

The Chair called for nominations for a suitably skilled Board Member to become a Member of the Audit & Risk Management Committee.

Cr T Jennings nominated Mr S Dilena; Mr Dilena declined the nomination.

There being no further nominations the following motion was put:

Moved Cr T Jennings that the East Waste Board:

1. resolves to appoint a Board Member to the Audit & Risk Management Committee via circular resolution, prior to the April 2026 meeting of the Audit & Risk Management Committee.
2. requests that the General Manager write to Mr Di Iulio to thank him for his years of service and valuable contributions to the East Waste Board and Committees on which he served.

Seconded: Cr P George

Carried

9.6 General Manager's Update

Moved Cr P George that the East Waste Board receive and note the General Manager's Report as presented on the 26 February 2026.

Seconded: Cr T Jennings

Carried

9.7 Information Report

Moved Deputy Mayor L Huxter that the East Waste Board receive and note the Information Report as at 26 February 2026.

Seconded: Cr T Jennings

Carried

10 Confidential Reports

10.1 General Manager – Final Probation Review

Recommendation 1

1. Moved Cr J Allanson that pursuant to section 90(2) of the *Local Government Act, 1999* the East Waste Board orders that the public, with the exception of the East Waste General Manager Leonard Leyland and Executive Assistant, Vanessa Davidson, be excluded from the meeting on the basis that the East Waste Board will receive, discuss and consider matters under sections 90(2)(a) and 90(3)(a) of the Act.
2. The East Waste Board is satisfied that pursuant to sections 90(2)(a) and 90(3)(a) of the Act the information to be received, discussed or considered in relation to the agenda item is information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead) being Leonard Leyland, General Manager of East Waste because it pertains to the General Manager's final probation review.
3. Accordingly, the East Waste Board is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt / consideration of the information confidential.

Seconded: Cr T Jennings

Carried

Mr D Maywald, Mr A Velloor and Ms K Vandermoer left the meeting at 6.50 pm.

At 6.53 pm the Chair sought and was granted leave of the Board to suspend meeting procedures pursuant to Regulation 20(1) of the Local Government (Procedures at Meetings) Regulations 2013 for a period of thirty minutes in order for the East Waste Board to receive a Final Probation Review Presentation from the General Manager.

Standing Orders resumed at 7.22 pm.

Mr L Leyland left the meeting at 7.23 pm.

Recommendation 2

Moved Mr A Wiguna:

1. That the East Waste Board confirm the appointment of Mr Leonard Leyland as General Manager of East Waste until 27 July 2028 in accordance with the terms and conditions of Mr Leyland's employment agreement with the Eastern Waste Management Authority, trading as East Waste.
2. That Mr Leonard Leyland be provided an update on the outcomes of the final probation appraisal by the East Waste Board from the Presiding Member of the General Manager Performance Review Committee to support his ongoing tenure and performance development.

Seconded: Cr T Jennings

Carried

Recommendation 3

Moved Mr A Wiguna:

1. That in accordance with section 91(7) and (9) of the *Local Government Act 1999* the East Waste Board orders that the Report and Attachments to Item 10.1 General Manager Probation Review, East Waste Board Meeting, 26 February 2026, be kept confidential until further order.
2. The East Waste Board notes any discussions of the Board on the matter are confidential in accordance with sections 62(4a) and 110A of the *Local Government Act 1999*.

Seconded: Cr T Jennings

Carried

Mr L Leyland, Mr D Maywald, Mr A Velloor and Ms K Vandermoer returned to the meeting at 7.56 pm.

11. Closure

The Chairperson declared the meeting closed at 7.58 pm

Next Meeting of the Board

The next Ordinary Board Meeting is scheduled to be held on Thursday 30 April 2026, commencing at 5:30 pm, at the City of Norwood Payneham & St Peters, 175 The Parade, Norwood.

These minutes have been signed as a true and correct record of the East Waste Board Meeting of 26 February 2026.

Chairperson

Date _____ / _____ / _____

9.1 General Manager's Update

Report Author: General Manager

Attachments: Nil

Purpose and Context

The purpose of this report is to provide the East Waste Board (Board) with an overview of organisational performance, strategic priorities, key risks, and emerging opportunities. The report is intended to support informed decision-making, ensure appropriate governance oversight, and align management activities with East Waste's strategic direction

The matters have been listed in one report as an efficiency and it is recommended that the East Waste Board receives and notes the information contained within the report. This does not limit the ability of the Board to remove a specific item from this report and resolve that a particular action be taken.

Recommendation

That the East Waste Board receives and notes the General Manager's Report as presented on the 30 April 2026.

Strategic Link

Objective 5. Provide Leadership

Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

The General Manager's Update replaces verbal briefings as the formal mechanism for providing commentary on contemporary matters aligned with East Waste's Strategic Management Plans.

Discussion

The following items are presented for the information of the East Waste Board.

1. East Waste Board Appointment to the Audit & Risk Management Committee:

The East Waste Board (Board), by means of a circular resolution, approved the appointment of Mr Andrian Wiguna as the Board's representative to the East Waste Audit and Risk Management Committee for a term to conclude on 30 November 2028.

In accordance with Schedule 2, Clause 30 (3) of the *Local Government Act 1999*, Mr Wiguna's appointment is required to be ratified by the Constituent Councils.

Mr Wiguna observed the April meeting of the Audit & Risk Management Committee.

2. Status of Service Level Agreements (SLAs)

- Verbal confirmation of support from relevant Council leads (all eight), one final review underway to verify discussed amendments were enacted. The intent is to

share the SLAs with CEOs on 17 April 2026 with a request that the SLAs be signed off. From the East Waste perspective this is an operational document only.

3. Fires

- A succession of fires, three in three weeks, has again raised concerns regarding lithium batteries. East Waste is actively participating in Environmental Protection Authority and council discussions on batteries and initiatives such as the battery stewardship program with letters sent to both the Hon. Lucy Hood MP (late 2025) and more recently to the Hon. Emily Bourke MLC, with reference to safety and fires in the waste industry.

4. Request for Compensation

- Following the resolution of the organics tender the following request has been made by Norwood Payneham & St Peters CEO Mario Barone:
 - i. in the event that there is a difference in the total cost between the additional cost charged by Jeffries from 1 October 2025 and the cost charged by Peats Soils & Garden Products, whether East Waste will reimburse respective Constituent Councils that are affected as a result of the procurement process.
- A detailed spreadsheet of these costs was provided to NPSP on request, and to each impacted Constituent Council. The organics contract delay had an impact on five (5) Constituent Councils to a total value of approximately \$195K with the NPSP component equating to approximately \$30K.
- A review of the operational risk register has been completed to ensure recognition of potential Constituent Council claims for reimbursement as a result of East Waste's performance.
- Administration is seeking feedback on this request specifically and broadly for future consideration.

5. FOGO and Capacity

- As a component of all Annual Plan and Budget correspondence to each Constituent Council, specific mention was made regarding operational capacity and the increasing desire for further FOGO trials. It has been highlighted that East Waste is at the edge of operational capacity and therefore any new FOGO activities, beyond those already actively in planning phase, will need to be discussed with a view to commencement in FY2028. This is to enable appropriate asset and resource growth such as the purchase of additional fleet dependent upon volume of FOGO expansion.

6. East Waste in the Media

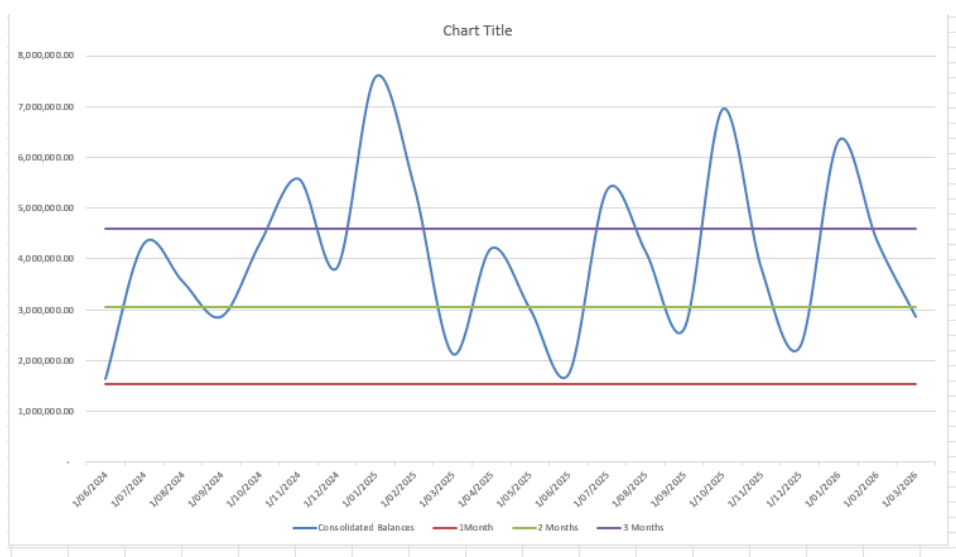
- During the reporting period, East Waste was invited to provide commentary across several media platforms, including two live ABC radio interviews (covering fires and the fuel situation), a written response to *The Advertiser* regarding fuel, and a Channel 10 video interview on the same issue. Across all engagements, messaging remained consistent with our role as a subsidiary and reinforced our strong working relationship with our Constituent Councils. In relation to fuel, it was noted that operations are currently proceeding as normal, and any required changes would be considered in coordination with councils' contingency planning teams.

7. Recruitment and Staffing

- WHS and Operations – a workforce review has been completed and relevant adjustments are being made to some roles. KPIs are being established across the workforce and active recruitment is underway to replace the WHS role and establish a dedicated Rostering / Scheduling role in Operations. Driver supervisor roles, an uplift for three positions as opposed to new roles, commenced on 15 April 2026 and this is to enhance operational efficiency and support improved safety and data capture.
- David Maywald is now on six (6) months long service leave, Aneesh Veloor has been introduced to provide temporary finance leadership while Kelly Vandermoer takes on the Acting Manager Business Services role, noting that Kelly will retain HR leadership responsibility.
- New drivers are being trained, replacement for departures, who have not come from existing side lift companies. Whilst this increases the training burden it is an important recruiting shift to increase the total pool of driver talent rather than continuing a rotation of drivers through the existing waste service companies.
- The Dean Newbery financial support contract was verbally extended last year, this was verbally discussed at the last Committee and Board meeting. I can confirm in this update that the comments around a sliding reduction in external support continues and has been met positively from both Dean Newbery and internal East Waste staff.

8. Cost Model & Working Capital

- East Waste will work with Constituent Councils in preparation for FY28 and the updates to the Cost Model, specifically the definition of Admin fees and the quarterly approach to common fleet calculations incorporating FOGO.
- Working capital has been reviewed and a recommendation of six (6) weeks expenses put forward as minimum cash holding required. This would equate to approximately \$2.3 million (on current FY Budget) and is intended to provide suitable cash coverage for East Waste. Following feedback from the Committee and finalisation of the approach revised copies of the three (3) impacted policies, being the:
 - Budget Framework Policy
 - Treasury Management Policy
 - Member Council Rebate and Distribution Policy.
 will be presented in the June reporting cycle.
- The graph below shows cash position at the end of each month over the last 18 months years.



9. National Heavy Vehicle Regulator (NHVR)

- Following extensive review and direct engagement with the regulator, NHVR, East Waste has been able to confirm that the new Volvo vehicles, when fitted with the appropriate tyres and blue plate, have a GVM of 23.5 tonnes. This is an excellent outcome and further positive feedback on the new acquisitions.
- This supports the ongoing monitoring and tracking of overweight vehicles which remains a key focus for East Waste.

10. Engagement Survey

- A 90% response rate was achieved in the engagement survey, with a dedicated leadership review to take place in April to establish targeted culture / staff improvement projects. Overall outcome was 70% satisfaction with 10% dissatisfaction, which is seen as a good result but with some key areas for focus, such as recognition and communication.
- A dedicated management update toolbox is scheduled for 29 April 2026 to share directly with teams FY27 objectives and specifically:
 - The Annual Business Plan.
 - Service Level Agreement (and related documents).
 - Results of the Engagement Survey and encourage further feedback to address low scoring areas.
 - Safety – The Plan, Program and Rebate focus and status along with Business Continuity Plan information.

11. Tenders

- The Peats Soil and Garden Supplies contract has a final review meeting on Friday 17 April which is expected to progress closer to sign off by both parties and thereby end the interim arrangement, noting that the interim arrangement held the conditions of the contract.
- The recycling tender has been launched by LGA Procurement, East Waste has found the LGA Procurement support and approach very efficient and valuable.
- The tyre tender is now part of the broader LGA Tyre tender. That is also live now.

- Compostable bags and education are the two remaining key tenders for 2027 and discussion has commenced on those, with compostable due to release by end of April.
- Concurrently LGA Procurement is working with East Waste to review spends and establish improved market approaches for a variety of core areas, such as a part supply panel.

12. Safety

- Whilst recruiting for a new WHS officer has created a gap, the team is staying on top of key safety requirements. However, some data capture and updating will be required.
- Progress continues working closely with LGRS on the WHS 'Plans with Programs' with strong support from the LGRS team while we are recruiting a replacement WHS lead.
- Power BI reporting for key WHS metrics is now live, albeit a need to catch up on data entry.

13. Innovation

- AI Contamination Detection - East Waste is currently exploring a pilot program, in coordination with the City of Mitcham, for the use of dedicated AI cameras viewing the hopper for contamination tracking and identification. This pilot program would run for six (6) months and is intended to enhance the AI model.
- Hard waste market support – East Waste is currently exploring external hard waste support in discussion with Campbelltown City Council that would supplement existing services and provide a market mechanism to enable; rapid response, short notification, overflow and potentially illegal dumping collection without a direct impact on East Waste resources. This was a key discussion item in the SLA review process and East Waste is committed to working with our Constituent Councils on practical and cost effective solutions that benefit the community.

The General Manager's Update is a standing item on the Agenda.

9.2 Financial Statements – FY2026 Budget Review Three

Report Author: Finance Business Partner
Responsible Officer: General Manager

Attachments

- A: Summary Budget Movement – Budget Review Three
- B: Budgeted Statement of Comprehensive Income FY2026
- C: Budgeted Balance Sheet FY2026
- D: Budgeted Statement of Cash Flow FY2026
- E: Budgeted Statement of Changes in Equity FY2026
- F: Budgeted Uniform Presentation of Finances Statement FY2026

Purpose and Context

To provide the East Waste Board (the Board) 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 2026 as prescribed by the *Local Government (Financial Management) Regulations 2011*.

Resolution of the Audit & Risk Management Committee

Moved Ms L Green that the Audit & Risk Management Committee notes and accepts the forecasted end of year FY2026 result associated with the 2025/26 Budget Review Three and recommends the FY2026 Budget Review Three to the East Waste Board for adoption subject to the East Waste Board being provided with explanatory notes to clearly explain the movement of monies.

Seconded: Ms N Caon

Carried

Recommendation/s of the Administration

That the East Waste Board notes and accepts the forecasted end of year FY2026 result associated with the 2025/26 Budget Review Three and recommends to the East Waste Board for adoption.

Strategic Link

Objective 5. Provide Leadership

Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

At the meeting held 26 June 2025, the East Waste Board resolved (in part):

9.1 2025/26 Annual Plan and Budget

Moved Cr T Jennings that the East Waste Board:

1. *Adopts the 2025/26 Annual Business Plan and Budget, inclusive of all projects and expenditure (Attachment A, Item 9.1, East Waste Board Meeting, 26 June 2025)*

Seconded Cr G Piggot

Carried

The Audit and Risk Management Committee considered this item at the meeting of 22 April 2026 and recommended that additional explanatory notes be added to the Statement of comprehensive income to provide further clarity of the movements between BR2 and BR3, particularly in the areas of processing income, profit and loss and disposal income. Administration have actioned this recommendation and updated accordingly.

Discussion

East Waste undertakes quarterly budget reviews in line with the *Local Government (Financial Management) Regulations 2011*, with this being third review of the budget for FY2026.

A comparison between the adopted budget forecast result and year to date result to March 2026 has been completed and reported within the Summary Budget Movement report as presented in **Attachment A**.

As at 31 March 2026, East Waste has recorded a Net Surplus of \$220K (year-to-date actuals) against a forecast full-year predicted Net Surplus of \$58K predicted at Budget Review Two for FY2026.

While key budget lines and assumptions remain stable and largely in line with predictions from Budget Review Two, variances have been meticulously reviewed with updated forecasted operating income and expenses recorded in the Budget Review Three as presented. Overall, a net increase of \$258K in operating expenses is forecasted predominately as a result of rising fuel costs, to result in a predicted loss of \$200K for FY2026.

The budgeted Financial Statements are supplied as per **Attachments B-F** and a summary of the budget movements across income and expenses have been summarised below:

Statement of Comprehensive Income:

1. Processing Income

Budget Review Three reflects a \$170K reduction in processing income and corresponding expenditure, comprising of:

- \$80K reduction to forecasted hard waste disposal income/expense reflective of current service demand as well as a temporary redirection of hard waste to landfill during Q3, due to service issues at disposal facilities.
- \$90K reduction in recycling disposal income/expense due to a decrease in recycling volumes observed during the Q3 period.

These reduced activities result in a \$nil impact on the Net Result for the financial year, as they remain "at cost" services provided to Constituent Councils.

2. Bin Services & Maintenance

An increase in income and expenses of \$80K is forecasted to account for the expected uptake in additional bin permits and hard waste collection services by residents, as well as increased purchases of bin-related infrastructure and repairs by Constituent Councils under East Waste led

contracts. These increased activities result in a \$nil impact on the Net Result for the financial year, as they remain "at cost" services provided to Constituent Councils.

3. Profit / (Loss) from Disposal

A \$105K profit from the sale of assets has been recorded, primarily driven by the upgrade of the light fleet, replacing three (3) cars with two (2) fully electric and one (1) plug-in hybrid vehicle. The vehicles traded in achieved high trade-in values, and as they were already fully depreciated with a zero net book value, the entire sale proceeds are treated as profit. This disposal process aligns with the Sale and Disposal of Assets Policy. Following this transition, East Waste will review the useful life and depreciation schedules for the new electric vehicle (EV) fleet to ensure ongoing alignment with asset performance.

The light fleet upgrade achieved exceptionally strong trade-in values for the three legacy vehicles, resulting in a total net changeover cost of approximately \$46K. This upgrade was a strategic decision, undertaken to adapt to new technology and deliver long-term savings through the shift to electric vehicles, allowing the Authority to further utilise existing solar capacity at the depot for charging.

4. Project Income

Following the establishment of this new reporting line in Q2, Budget Review Three includes an increase of \$140K in projected Project Income. This adjustment follows a comprehensive quarterly billing review and reflects expanded FOGO collection activities as requested by Constituent Councils, including additional FOGO education services now being delivered by East Waste at the request of participating councils.

East Waste has received formal confirmation from participating councils to charge for education services, including retrospective billing for services previously delivered where applicable.

Additional staffing in Customer Service is enabling work reallocation from the Education Coordinator freeing their capacity to support the additional FOGO specific education delivery. Invoices are being issued accordingly now that the fee structure has been accepted, ensuring East Waste maintains its cost-recovery integrity. Councils only pay for these education services if they have opted in, ensuring that non-participating Constituent Councils do not subsidise these specific initiatives while the long-term cost model review continues.

The Board will note a 300K reduction in User Charges within the Statement of Comprehensive Income within Attachment B (**Refer Attachment B**) as \$130K of FOGO income was previously classified under User Charges and is now classified in Other (Project Income). This change has been made to clearly separate project-based revenue from regular user charges for improved reporting transparency.

5. Fleet Maintenance

No adjustment has been proposed to fleet maintenance, as year-to-date performance remains aligned with Budget Review Two assumptions, where an adjustment was made to reflect a particularly challenging quarter due to multiple engine replacements. This elevated maintenance level has remained consistent in Q3 versus Q2, and Administration continues to monitor this area closely to ensure optimal availability of fleet assets.

Importantly, the fleet maintenance budget reflects an expanded fleet of 59 vehicles, to support the facilitation of current FOGO trials, with partial costs of maintenance recovered through *Project Income*.

6. Depreciation

Depreciation is forecast to increase by \$12K following the acquisition of the new EV passenger fleet.

7. Fuel Costs

While the first half of the year benefited from more favourable fuel costs, the revised full-year budget for Budget Review Three now accounts for the significant impact of escalating geopolitical tensions in the Middle East, resulting in elevated diesel prices.

The fuel budget is forecast to increase by \$385K:

- **\$360K Fuel Expenditure Increase:** Reflecting the current rising costs of diesel, with predictions based on an average \$/litre of \$2.77 (ex. GST), which is indicative of East Waste's latest diesel prices and is inclusive of the government-imposed fuel relief. With the unpredictability of diesel prices in the coming months, Administration will closely monitor conditions and keep Constituent Councils informed of any anticipated impacts.
- **\$25K Fuel Tax Credit Reduction:** Driven by government legislative changes taking effect from April 2026, impacting the overall fuel budget position.

8. Other Expenses

An adjustment to Other Expenses totalling \$107K have been forecasted relating to:

- **Education:** An increase of \$10K has been applied to the education budget to account for additional expenditure as a result of the KESAB schools' program, not included in the previous quarter budget assumptions.
- **Project Expense:** a \$70K adjustment has been applied, offsetting Project Income, where costs associated with projects are directly on-charged. The amount accounts for actual costs realised in Q3 and anticipated costs in Q4 based on known trials and activities.
- **Uniforms and WHS:** \$12K Expenditure increase allocated for critical WHS-related noise monitoring of truck fleet, as well as the procurement of new staff uniforms, with the commencement of more new employees than originally budgeted.
- **Insurance and registration:** A \$15K increase in registration and insurance expenditure has been included to account for a rise in incidents and insurance excess payments than anticipated at Budget Review Two.

Capital Expenditure

All adjustments have been included reflective of the recent sale of truck assets, and acquisition of the new EV fleet. Budget remains to allow finalisation of East Waste's outdoor patio area which has not progressed as planned as a result of issues sourcing trades.

Summary of Variances

As a result of the matters noted above, they have been reflected as following in the key Budgeted Financial Statements as follows:

Table 1: Summary Budget Movement \$'000

Budget Item	Budget Description	Statement of Comprehensive Income Favourable / (Unfavourable)	Cash Flow Statement Increase / (Decrease)
1	Processing Income	170	170
1	Processing Expenses	(170)	(170)
2	Bin Services Income	80	80
2	Bin Service Expense	(80)	(80)
3	Profit / (loss) from Disposal	106	106
4	Project Income	140	140
5	Depreciation	(12)	-
5	Fuel Expense	(385)	(385)
6	Other Expenses	(107)	(107)
Summary Movement		(258)	(246)

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Summary Budget Movement Worksheet
for the Financial Year Ending 30 June 2026

	Actual as at 31 March 2026	Adopted Budget	BR1	BR2	Proposed Budget (BR3)	Actual YTD / BR2	Actual YTD / Proposed BR3	Proposed Budget Movement	Comments
Administration Fee	223,261	297,682	297,682	297,682	297,682	75%	75%	-	
Common Fleet Costing	13,761,315	18,348,419	18,348,419	18,348,419	18,348,419	75%	75%	-	
Processing Income	7,263,720	9,884,523	9,884,523	9,884,523	9,714,523	73%	75%	(170,000)	Reflective of updated disposal forecasts relating to Hard Waste and Recycling disposal costs.
Bin Services & Maintenance	1,979,727	2,102,500	2,102,500	2,210,000	2,290,000	90%	86%	80,000	Increase represents estimated additional bin income, bin repair infrastructure and related purchases under East Waste led contract.
Profit / (Loss) from Disposal	135,645	30,000	30,000	30,000	135,645	452%	100%	105,645	Profit was realised from the sale of fully depreciated vehicles during the transition to a new EV fleet (three vehicles).
Project Income	136,971	-	-	130,000	270,000	105%	51%	140,000	Income increase driven by a quarterly billing review and expanded FOGO collection and education services delivered to participating Councils.
Other Income	122,474	76,000	191,000	150,000	150,000	82%	82%	0	
Total	23,623,114	30,739,124	30,854,124	31,050,624	31,206,269			155,645	
Processing Expenses	7,260,065	9,884,523	9,884,523	9,884,523	9,714,523	73%	75%	(170,000)	Reflective of updated disposal forecasts relating to Hard Waste and Recycling disposal costs.
Bin Service & Maintenance Expenses	1,986,453	2,102,500	2,102,838	2,213,500	2,293,500	90%	87%	80,000	Increase represents estimated additional bin income, bin repair infrastructure and related purchases under East Waste led contract.
Employee Costs	6,787,444	9,169,978	9,261,473	9,261,473	9,261,473	73%	73%	0	Wages stable. Actuals equating to 73% of Budget expected in Q3 as a result of increased overtime in Q4 relating to Public Holiday work.
Fleet Maintenance	1,812,521	2,015,481	2,309,740	2,359,740	2,359,740	77%	77%	0	
Depreciation	2,115,632	2,834,881	2,834,881	2,834,881	2,847,000	75%	74%	12,119	Increase related to the acquisition of new EV fleet.
Interest	527,174	720,000	720,000	720,000	720,000	73%	73%	0	
Fuel	1,374,199	2,053,487	1,953,487	1,888,487	2,273,487	73%	60%	385,000	Budgeted fuel increase of \$360k based on current \$/Litre trends, as well as \$25k decrease in FTC following legislative changes to entitlement.
Other Expenses	1,539,597	1,776,605	1,701,605	1,829,489	1,936,489	84%	80%	107,000	Increase breakdown: \$10k -Education, \$70K - Project Expense, \$12K - WHS, \$15K - Registration and Insurance.
Total	23,403,086	30,557,455	30,768,547	30,992,093	31,406,212			414,119	
Net Surplus	220,028	181,669	85,577	58,531	(199,943)			(258,474)	

Non Operating Cash Flow	Actual as at 31 March 2026	Adopted Budget	BR1	BR2	Proposed Budget (BR3)	Actual YTD / BR2	Actual YTD / Proposed BR3	Proposed Budget Movement	
Income									
Proceeds from Sale of Assets	35,191	30,000	30,000	30,000	35,191	117%	100%	5,191	Reflective of fleet sale.
Proceeds from the Sale of Motor Vehicles	100,455	-	-	-	100,455	0%	100%	100,455	Reflective of motor vehicle changeover.
Proceeds from Borrowings	3,390,237	3,390,000	3,390,000	3,390,000	3,390,000	100%	100%	-	
Total	3,525,883	3,420,000	3,420,000	3,420,000	3,525,646			105,646	
Expenses									
Fleet Replacement Costs	3,377,784	3,389,784	3,389,784	3,389,784	3,377,784	100%	100%	(12,000)	Adjustment relating to purchase of Fleet (truck) assets.
Motor Vehicle Replacement	147,660	50,000	50,000	50,000	147,600	295%	100%	97,600	Purchase of 3 x EV light fleet
Operations Office Upgrade	19,906	60,000	60,000	60,000	60,000	33%	33%	-	Finalisation of outdoor patio pending - difficulty sourcing trades.
Plant Replacement	11,989	25,000	25,000	25,000	25,000	48%	48%	-	
Repayment of Borrowings - LGFA	1,325,728	2,139,614	2,139,614	2,139,614	2,139,614	62%	62%	-	relates to timing of LGFA loan repayments.
Repayment of Borrowings - Leases	122,626	168,000	168,000	168,000	168,000	73%	73%	-	
Total	5,005,693	5,832,398	5,832,398	5,832,398	5,917,998			85,600	
Net Non-Operating Cash Flow	(1,479,810)	(2,412,398)	(2,412,398)	(2,412,398)	(2,392,352)			20,046	

ITEM 9.2 - ATTACHMENT B

EAST WASTE

Projected Statement of Comprehensive Income (Budgeted)
for the Financial Year Ending 30 June 2026

FY25		FY26	FY26	FY26	FY26	FY26
Audited Actuals		Adopted Budget	BR1	BR2	BR3	Movement BR3 v BR2
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
	Income					
25,178	User Charges	28,531	28,531	28,661	28,361	(300)
133	Investment income	60	75	140	140	-
-	Grants, subsidies and contributions	-	-	-	-	-
2,085	Other	2,119	2,219	2,220	2,570	350
27,396	Total	30,710	30,825	31,021	31,071	50
	Expenses					
8,894	Employee Costs	9,170	9,261	9,261	9,261	-
15,081	Materials, contracts & other expenses	17,833	17,952	18,176	18,578	402
2,590	Depreciation, amortisation & impairment	2,835	2,835	2,835	2,847	12
612	Finance costs	720	720	720	720	-
27,177	Total	30,558	30,768	30,992	31,406	414
219	Operating Surplus / (Deficit)	152	57	29	(335)	(364)
55	Asset disposals & fair value adjustments	30	30	30	136	106
274	Net Surplus / (Deficit)	182	87	59	(199)	(258)
-	Other Comprehensive Income	-	-	-	-	-
274	Total Comprehensive Income	182	87	59	(199)	(258)

ITEM 9.2 - ATTACHMENT C

EAST WASTE

Projected Balance Sheet (Budgeted)

for the Financial Year Ending 30 June 2026

FY25		FY26	FY26	FY26	FY26	FY26
Audited Actuals		Adopted Budget	BR1	BR2	BR3	Movement BR3 v BR2
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
	Assets					
	Current					
1,722	Cash & Cash Equivalents	2,700	2,334	2,306	1,974	(332)
1,824	Trade & Other Receivables	1,413	1,824	1,824	1,824	-
38	Inventory	63	38	38	38	-
3,584	Total	4,176	4,196	4,168	3,836	(332)
	Non-Current					
13,221	Infrastructure, Property, Plant & Equipment	13,973	13,911	13,911	13,984	73
13,221	Total	13,973	13,911	13,911	13,984	73
16,805	Total Assets	18,149	18,107	18,079	17,821	(258)
	Liabilities					
	Current					
1,555	Trade & Other Payables	1,588	1,578	1,578	1,578	-
2,127	Borrowings	2,285	2,285	2,285	2,285	-
1,015	Provisions	1,110	1,075	1,075	1,075	-
4,697	Total	4,983	4,938	4,938	4,938	-
	Non-Current					
10,875	Borrowings	11,789	11,789	11,789	11,789	-
65	Provisions	169	125	125	125	-
10,940	Total	11,958	11,914	11,914	11,914	-
15,637	Total Liabilities	16,941	16,852	16,852	16,852	-
1,168	Net Assets	1,208	1,255	1,227	969	(258)
	Equity					
1,168	Accumulated Surplus	1,208	1,255	1,227	969	(258)
1,168	Total Equity	1,208	1,255	1,227	969	(258)

ITEM 9.2 - ATTACHMENT D

EAST WASTE

PROJECTED STATEMENT OF CASH FLOWS (BUDGET)

for the Financial Year Ending 30 June 2026

FY25		FY26	FY26	FY26	FY26	FY26
Audited Actuals		Adopted Budget	BR1	BR2	BR3	Movement BR3 v BR2
\$'000		\$'000	\$'000	\$'000	\$'000	\$'000
	Cash Flows from Operating Activities					
	Receipts					
26,521	Operating Receipts	30,650	30,750	30,881	30,931	50
133	Investment Receipts	60	75	140	140	-
	Payments					
(8,933)	Employee costs	(9,050)	(9,141)	(9,141)	(9,141)	-
(14,710)	Materials, contracts & other expenses	(17,833)	(17,952)	(18,176)	(18,578)	(402)
(632)	Interest Payments	(697)	(697)	(697)	(697)	-
2,379	Net Cash Flows from Operating Activities	3,130	3,035	3,007	2,655	(352)
	Cash Flows from Investing Activities					
	Receipts					
77	Sale of Replaced Assets	30	30	30	136	106
	Payments					
(2,236)	Expenditure on Renewal/Replaced Assets	(3,390)	(3,390)	(3,390)	(3,550)	(160)
(32)	Expenditure of New/Upgraded Assets	(135)	(135)	(135)	(60)	75
(2,191)	Net Cash Flows from Investing Activities	(3,495)	(3,495)	(3,495)	(3,475)	20
	Cash Flow from Financing Activities					
	Receipts					
2,178	Proceeds from Borrowings	3,390	3,390	3,390	3,390	-
	Payments					
(200)	Repayment of Lease Liabilities	(168)	(168)	(168)	(168)	-
(2,078)	Repayment of Borrowings	(2,150)	(2,150)	(2,150)	(2,150)	-
(100)	Net Cash Flow from Financing Activities	1,072	1,072	1,072	1,072	-
88	Net Increase (Decrease) in cash held	707	612	584	252	(332)
1,634	Cash & cash equivalents at beginning of period	1,993	1,722	1,722	1,722	-
1,722	Cash & cash equivalents at end of period	2,700	2,334	2,306	1,974	(332)

ITEM 9.2 - ATTACHMENT E

EAST WASTE

Projected Statement of Changes in Equity (Budgeted)
for the Financial Year Ending 30 June 2026

FY25		FY26	FY26	FY26	FY26	FY26
Audited Actuals		Adopted Budget	BR1	BR2	BR3	Movement BR3 v BR2
\$		\$'000	\$'000	\$'000	\$'000	\$'000
894	Balance at Start of Period - 1 July	1,026	1,168	1,168	1,168	-
274	Net Surplus / (Deficit) for Year	182	87	59	(199)	(258)
-	Contributed Equity	-	-	-	-	-
-	Distribution to Councils	-	-	-	-	-
1,168	Balance at End of Period - 30 June	1,208	1,255	1,227	969	(258)

EAST WASTE

Projected Uniform Presentation of Finances (Budgeted)
for the Financial Year Ending 30 June 2026

FY25 Audited Actuals \$'000	FY26 Adopted Budget \$'000	FY26 BR1 \$'000	FY26 BR2 \$'000	FY26 BR3 \$'000
Income				
25,178	28,531	28,531	28,661	28,361
133	60	75	140	140
-	-	-	-	-
2,085	2,119	2,219	2,220	2,570
27,396	30,710	30,825	31,021	31,071
Expenses				
8,894	9,170	9,261	9,261	9,261
15,081	17,833	17,952	18,176	18,578
2,590	2,835	2,835	2,835	2,847
612	720	720	720	720
27,177	30,558	30,768	30,992	31,406
219	152	57	29	(335)
Net Outlays on Existing Assets				
(2,236)	(3,390)	(3,390)	(3,390)	(3,550)
2,590	2,835	2,835	2,835	2,847
77	30	30	30	136
431	(525)	(525)	(525)	(568)
Net Outlays on New and Upgraded Assets				
(32)	(135)	(135)	(135)	(60)
-	-	-	-	-
-	-	-	-	-
(32)	(135)	(135)	(135)	(60)
618	(508)	(603)	(631)	(963)
Annual Net Impact to Financing Activities (surplus/(deficit))				

9.3 Review of Long-Term Financial Plan FY2027-2036

Report Author:	Finance Business Partner
Responsible Officer:	General Manager
Attachments	A: East Waste Long-Term Financial Plan FY2027-2036

Purpose and Context

To provide an opportunity for the East Waste Board (the Board) to review and provide input into the draft principles and assumptions of East Waste's FY2027-2036 Long-Term Financial Plan.

Resolution of the *Audit & Risk Management Committee*

Moved Ms N Caon that the Audit & Risk Management Committee recommends the draft principles and assumptions presented within the draft Long-Term Financial Plan (Attachment A, Item 9.6, Audit & Risk Management Committee Meeting 22 April 2026), to the East Waste Board for adoption, subject to the amendments and inclusions requested by the Committee being effected.

Secoded Ms L Green

CARRIED

Recommendation/s of the Administration

That the East Waste Board adopt the revised draft Long-Term Financial Plan FY2027-2036 (Attachment A, Item 9.3, East Waste Board Meeting, 30 April 2026).

Strategic Link

Objective 5. Provide Leadership

Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

In accordance with Clause 43.2 of the East Waste Charter, the East Waste Board is required to prepare and adopt a Long-Term Financial Plan for a period of 10 years, which forms part of its suite of Strategic Management Plans.

The Long-Term Financial Plan (the Plan) was last reviewed and adopted in November 2024 (FY2025-2034), with the annual review initially scheduled following the FY2026 review of East Waste's Asset Management Plan, in November 2025. The Board was informed that the review of Long-Term Financial Plan would be deferred until the finalisation of the cost model review, to enable Administration to incorporate any material changes to East Waste's Budget Framework.

Subsequently, the draft FY2027 Budget was developed as per East Waste's existing Budget Framework, with Administration intending to present revised Budget Framework and a review of key financial policies, ahead of the development of the FY2028 Annual Business Plan & Budget. As

such, the Plan was reviewed in March 2026, with FY2027 representing Year 1 of the Plan, aligned to the endorsed FY2027 draft Budget assumptions.

Administration intends to continue to review the Plan in November annually in line with the Annual Reporting Calendar, directly following the review of the Asset Management Plan, which will influence the development of the Annual Business Plan & Budget.

The Audit and Risk Management Committee considered this item at the meeting of 22 April 2026 and recommended that additional explanatory notes be added to assumptions for fixed rates, consideration of cash reserves treatment and consideration of service expansion. Administration has undertaken these recommendations and updated accordingly.

Discussion

Prior to presenting a final draft of the Plan to the Audit & Risk Management Committee (the Committee) and East Waste Board, careful consideration has been given to the key principles and assumptions that are used to formulate the Plan. An initial draft Long-Term Financial Plan is attached within **Attachment A** for review and adoption by the Board.

The revised Plan details key considerations and assumptions applied, including a comprehensive overview of East Waste's financial model and impacts of anticipated future changes, as well as evolving risks identified in FY2026. Detailed financial assumptions are included in the Plan, that directly influence the 10-Year suite of Financial Statements as presented in the Appendix.

Feedback will be sought from the Board at the meeting, and Administration will provide further clarification where required.

EastWaste

Draft

Long-Term Financial Plan 2027-2036

April 2026

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Strategic Context

In accordance with Clause 43.2 of the East Waste Charter, the East Waste Board is required to prepare a Long-Term Financial Plan for a period of 10 years, which forms part of its suite of strategic documents. The development of a Long-Term Financial Plan (the Plan) is a strategic component of the East Waste Strategic Management Framework and supports the delivery of the Strategic Plan and assists Administration in determining financial projections for the proceeding decade.



The Plan has been developed based on a series of assumptions and information provided by East Waste Administration, the information and assumptions within the Draft FY2027 Annual Plan & Budget, the Fleet Asset Management Plan & Strategy and other strategic documents. For full context, this Plan should be read in conjunction with the *Draft 2026/27 Annual Business Plan*, the *Fleet Asset Management Plan & Strategy 2026-2035* and East Waste's *Strategic Plan 2030*. The Plan is closely aligned with East Waste's Charter, policies and cash-flow requirements.

East Waste's adopted accounting policies have been consistently applied to all assumptions and projections.

The Plan is not designed to provide any investment advice for any capital projects or services that are designed to deliver a financial return to East Waste or its Constituent Councils.

Introduction

East Waste is a regional subsidiary formed under the *Local Government Act 1999* consisting of eight Adelaide Metropolitan Councils which constitute over 20% of the city's population. The Constituent Councils of East Waste are:

- Adelaide Hills Council
- City of Burnside
- Campbelltown City Council
- City of Mitcham
- City of Norwood Payneham & St Peters (NPSP)
- City of Prospect
- City of Unley
- Corporation of the Town of Walkerville.



City of
Norwood
Payneham
& St Peters



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 an Independent Chair and Director appointed by each Constituent Council.

As a regional subsidiary, East Waste recognises that success from this Plan is not possible without the continued support, integration and active working partnership of all our Constituent Councils and key strategic partners. East Waste is committed to developing and continuing partnerships which ultimately drive value back to the communities we serve. The value East Waste offers is unique, in that we are continually working with our Constituent Councils to provide a high value kerbside waste collection service. East Waste has established a model where we are nimble and respond swiftly to external impacts and Constituent Council requests. East Waste takes pride in delivery of a reliable and high-quality service which enables Constituent Councils to focus on other key matters of importance to them and their communities.

East Waste's Financial Framework

East Waste operates almost entirely on a user pays and cost recovery service model. This creates a business challenge in seeking to deliver efficient and cost-effective services to Constituent Councils whilst also advancing the capability of East Waste through innovation and technology.

East Waste currently funds its operations through the Common Fleet Costing charging method, being fees set through the development of the Annual Business Plan & Budget, inclusive of all East Waste's expected annual operating income and expenditure. In line with cash flow requirements, Common Fleet Costing charges are billed to Constituent Councils on a quarterly basis, in advance, and represent the cost to conduct all core kerbside bin, litter and hard waste collections from the prior year.

The annual Common Fleet Costing charge, in line with the current Budget Framework Policy, includes the application of a 1% operating surplus, acting as a contingency buffer, given the unpredictable and volatile nature of some of East Waste's core operating expenses. The Plan assumes that the 1% operating surplus is retained, as per the requirements set out in the current Budget Framework Policy and has been applied to all years of the Plan.

Disposal charges are billed to Constituent Councils monthly, in arrears, and represents the cost of the disposal of collected waste at a processing facility. Tonnes are disposed of and billed at a \$ rate per tonne to East Waste, where the Council is participating in an East Waste led contract. Following a robust tonnage reconciliation process by East Waste staff, disposal costs are directly on-charged to the respective Constituent Council, making it a full cost recovery service. This method is not applicable to all waste streams and/or Constituent Councils, with some holding direct contracts with disposal facilities, and therefore managing disposal costs internally.

Aside from the core waste activities detailed above, East Waste, where required, manages the issue and renewal of resident additional bin permits, and following an internal reconciliation process, directly reimburses funds to Council monthly in arrears. In addition, East Waste manages the supply and repair of resident bin infrastructure on behalf of Constituent Councils utilising a third-party supplier with costs recovered through monthly billing.

Throughout the Plan, these services are performed on a full cost recovery basis with no management fees applied, and it is assumed there is no change to the Common Fleet Costing model throughout the life of the Plan.

Further to this, FY2026 saw the introduction of Project Billing, representing additional charges to Constituent Councils for special projects, predominately operational costs associated with servicing FOGO trials, or where Council elects to purchase additional services that sit outside of East Waste's standard servicing offerings, as detailed in the in the newly drafted Service Level Agreements (SLAs). Project Billing is charged monthly in arrears, outside of the Common Fleet model to ensure Constituent Councils are not subsidising the costs of other Council activities where they otherwise are not covered within the Common Fleet Costing.

East Waste undertook a comprehensive Cost Model review in 2025, supported by an external agency, with feedback incorporated from Constituent Councils and presented to the East Waste Board. The review supported East Waste's Common Fleet Costing method in principle, but also highlighted its limitations, most notably the lack of ability to charge Constituent Councils for real-time service changes. This resulted in the interim 'Project Billing' arrangement to ensure an equitable approach with the income anticipated based on known projects as at FY2027, assumed (and indexed) throughout the life of the Plan.

Administration is in the process of presenting a revised Budget Framework, ahead of the development of the FY2028 Budget, which would see key changes, inclusive of Project Billing relating to additional service collection costs being reallocated under the Common Fleet Costing model and redefining the Administration charge. The anticipated changes to the Budget Framework, intended to apply from FY2028, are not expected to have a material impact on the financial statements as presented within this Plan. Following approval and an updated Budget Framework, a subsequent review of the LTFP will incorporate these changes.

Draft

Risk & Review

This Plan has been developed based on the most up to date information and assumptions available as at the time of preparation. Users of this information should be aware that there are inherent risks associated with the outcomes reported, as circumstances (i.e. change in legislative requirements, market conditions, etc.) may result in changes that could materially affect the outcome and projected results of the Plan.

It is accepted and understood that onboarding of additional services and changes to the current collection model will undoubtedly occur within the life of the Plan. Existing FOGO trials have continued, with some seeing expansion and some new trials introduced throughout FY2026, with further roll outs across multiple councils expected to continue in FY2027 and later years of the Plan. Potential expansion to an entire council area has not yet been confirmed and would require sufficient notification and asset / labour preparation time and will be factored into FY2028 and beyond, as councils confirm their intentions with East Waste. Future updates of the Plan will incorporate service changes as more information is known.

In addition, East Waste's Board, Audit & Risk Management Committee, and Administration continuously monitor political, economic, social, technological, legal, environmental, and relational factors that may influence future service delivery requirements and financial resources.

Events in 2026 highlighted inherent risks for large logistics operations, with significant fuel cost increases resulting from international events and generating higher fuel prices with possible supply chain disruption. Additionally, the increasing frequency of truck fires, as a result of lithium battery explosions, has increased concern and focus surrounding batteries leading to increased engagement with the Environmental Protection Authority and lobbying to Government for various initiatives to support the industry, such as a battery stewardship scheme. Another ongoing risk, which is increasing as the workforce ages, is the limited entry points for new drivers and lack of general market interest in driving roles.

To ensure that the Plan is timely and relevant to East Waste's forecasts, it will be reviewed at least once per year. East Waste will review its Long-Term Financial Plan via the Audit & Risk Management Committee and East Waste Board, following the annual review of the Fleet Asset Management Plan & Strategy and ahead of the development of the draft Annual Plan and Budget, to allow for the most relevant financial parameters to be considered.

Key Principles & Assumptions

- Where applicable, annual CPI has been assumed at a varied rate across the life of the Plan, with 3.5% assumed in year 2, and 3% for all remaining years.
- Assumes no change to Common Fleet Costing % allocation to Constituent Councils throughout the life of the Plan.
- Assumes no change to the current financial model over the life of the Plan, noting that Budget Framework will be reviewed ahead of development of the FY2028, with changes not expected to materially impact financial assumptions as detailed within this Plan.
- Assumes no change in current service delivery model and/or service standards based on East Waste’s draft FY2027 Budget assumptions. That is, current known FOGO trials as accounted for FY2027 are assumed to continue as is throughout the life of the Plan, with Project income reflected in all years of the Plan, to offset rising operating costs.
- Given current uncertainty of waste trends and community behaviour as a result of the rollout of multiple FOGO trials in FY2026, no increases to waste volumes or additional services have been assumed beyond what is known in the upcoming FY2027 year, over the life of the Plan.
- Based upon the known desire for FOGO expansion, but counteracted by uncertainty of legislative change and the long lead time of fleet asset changes to accommodate further FOGO growth this plan does not consider further FOGO roll out.
- Assumes the 10-year lease agreement entered in FY25 at the Ottoway Depot will be extended on the same terms, ensuring operational continuity throughout the life of the Plan.
- Assumes no cash distributions of surplus funds to Constituent Councils over the life of the Plan. It is, however, to be expected that should surplus funds grow, appropriate consideration under the financial framework will be given to the opportunity for distribution and action taken at the appropriate time to maintain cash in accordance with working capital considerations.

Operating Income

Income Type	Key Assumptions
Constituent Council Common Fleet Costing Charges	<ul style="list-style-type: none"> • Based on methodology outlined within current Budget Framework Policy (noting an intended update to Budget Framework is in motion for implementation in FY2028.) • A 1% Common Fleet Costing Surplus charge has been retained each year in line with the Budget Framework Policy.
Administration Fee	<ul style="list-style-type: none"> • Based on FY2027 budgeted charge, in line with East Waste Budget Framework Policy, with CPI annual increases assumed to each year thereafter. While the definition and calculation of the Administration Fee is expected to be updated in later years, no material financial impact is expected.
Bin Supply and Bin Service Income	<ul style="list-style-type: none"> • Full fee recovery activity based on estimated expenses (refer to expenses for key assumptions).

Waste Processing Income	<ul style="list-style-type: none"> Full fee recovery activity based on estimated annual expenses (refer to expenses for key assumptions).
Interest Income	<ul style="list-style-type: none"> Income has been calculated assuming varied interest rates, assuming a decline over time, based on the best-known available information at the time: <ul style="list-style-type: none"> FY2027: 4.4% FY2028: 4.00% FY2029: 3.5% FY2030 - 2036: 3.00%
Profit on Disposal of Assets	<ul style="list-style-type: none"> Assumes \$5,000 per truck sold each year in line with replacement schedule within Fleet Asset Management Plan and Strategy.
Project Income	<ul style="list-style-type: none"> Remains in line with FY2027 assumptions, being Year 1 of the plan, and indexed by CPI annually to reflect increasing corresponding operating costs. This income account is offset by Project Expense, reflective of the estimated value of direct project costs that are on-charged.

Operating Expenses

Expense Type	Key Assumptions
Bin Supply and Bin Service Expenses	Assuming no change to existing service offerings, an annual CPI increase applies across the life of the Plan.
Waste Processing Fees	No increases are assumed for waste volumes, while an annual CPI increase is applied across the life of the Plan in line with predicted gate rate increases.
Interest on Borrowings	<p>Assumed interest rates applicable to all new loans across the following financial years, based on long term rates as specified by the Local Government Finance Authority (LGFA).</p> <ul style="list-style-type: none"> FY2027: 5.50% FY2028: 6.00% FY2029: 5.75% FY30-36: 5.50%
Ottoway Lease	Assumes current lease is retained for a period of 10-years over the life of the plan, based on the existing terms agreement.
Fuel	Fuel expenses have been estimated based on a varying \$/L charge across the life of the Plan. It assumes no change in total volume of fuel used over the life of the Plan, with the \$/Litre predicted in the FY2027 draft Budget assumptions aligned to Year 1 of the plan, and an 8% increase allowed for in Year 2 of the Plan, given the uncertainty of the current market. Subsequent years are inflated by CPI.
Wages & Salaries	Employee costs are estimated to increase in line with an annual CPI increase applied to FY2027 Budget Assumptions,

	except for years where a new Enterprise Agreement is to be negotiated, where a 4% increase is assumed. These assumptions align to historical Enterprise Agreement and statutory award increases. No additional staffing is accounted for in line with FY2027 service offerings.
Fleet Maintenance	Fleet Maintenance costs are aligned to FY2027 Budget assumptions in Year 1 of the Plan, with CPI inflators applied annually. Typically, Fleet Maintenance costs in the LTFP are driven by financial assumptions within East Waste’s Fleet Asset Management Plan. However, given the deferred timing of the review of the LTFP, the assumptions surrounding fleet maintenance within the Asset Management Plan is currently outdated, with FY2027 budget assumptions including the most relevant and up to date information.
All other General Expenses	Assume an annual CPI increase in costs, estimated by Administration.

Fleet Replacement

- Fleet Replacement is assumed in line with the fleet replacement schedule within East Waste’s *Fleet Asset Management Plan & Strategy FY2026-35*.
- Collection Vehicles are expected to retain a useful life of eight (8) years, with a residual value of \$5,000 per vehicle, over the life of the Plan.
- All trucks are individually assessed annually towards the end of life to ensure ultimate optimisation of the asset.

Capital Expenditure

- Assume that annual expenditure of \$100,000 required on additional other unidentified CAPEX relating to leasehold improvements, motor vehicles and other minor assets will be required.
- All other CAPEX has an assumed useful life of 10-years for depreciation purposes.

Borrowings

- It is assumed borrowings are required each year to fund 100% replacement cost of Fleet assets replaced, consistent with existing funding model and framework.
- Interest rates applied to borrowings are assumed to peak in FY2028 and stabilise in later years of the Plan.
- All borrowings are assumed to remain an eight (8) year, fixed term interest borrowings taken out with the LGFA, in line with the estimated useful life of the asset, and consistent with current assumptions within the most recently updated Fleet Asset Management Plan.
- Within the Plan, all borrowings commence as from October of each financial year and are on 6-monthly P+I repayment schedules.

Over the short, medium and long-term life of this Plan, East Waste maintains a strong financial and sustainable position. The East Waste Charter has clear and defined mechanisms when returns to Constituent Councils will occur which ensures our financial sustainability is overlaid

with fiscal responsibility to our Owners. Further to this, Administration is currently assessing East Waste's working capital requirements, with updates to key financial Policies anticipated in the coming year to assist the East Waste Board in determining the most appropriate use of surplus funds.

The financial statements as detailed within the Appendix (refer Appendix) highlights strong financial sustainability with a target of achieving a modest Operating Surplus each year, consistent with Constituent Council expectations.

Cash Reserve

Cash balances are steadily increasing over the life of the plan, estimating a closing cash balance of \$6M in year 10. Primarily attributed to an accumulated surplus, as assumptions do not incorporate a return of any surplus funds to Constituent Councils. Projections are intended to be a financial forecast mechanism to assist in strategic decision making, and not to be considered as a commitment of return of funds. The return of any surplus funds to Constituent Councils will be a decision of the East Waste Board, giving consideration to East Waste working capital requirements and relevant policies.

Draft

APPENDIX

Financial Statements

East Waste

Long Term Financial Plan (LTFP): FY2027 - FY2036

Projected Statement of Comprehensive Income

	Financial Year									
	1 2027	2 2028	3 2029	4 2030	5 2031	6 2032	7 2033	8 2034	9 2035	10 2036
Income										
User Charges	29,447	31,883	33,040	34,202	35,545	36,720	37,841	39,072	40,463	41,707
Investment income	105	118	114	109	119	128	140	149	150	165
Grants, subsidies & contributions	205	212	219	225	232	239	246	253	261	269
Other	2,368	2,453	2,526	2,602	2,680	2,760	2,842	2,927	3,015	3,105
Total	32,125	34,666	35,899	37,138	38,576	39,847	41,069	42,401	43,889	45,246
Expenses										
Employee Costs	9,782	10,359	10,670	10,990	11,424	11,767	12,120	12,599	12,977	13,366
Materials, contracts & other expenses	18,348	19,758	20,378	21,018	21,677	22,357	23,058	23,781	24,526	25,295
Depreciation, amortisation & impairment	3,029	3,382	3,588	3,827	4,134	4,334	4,501	4,599	4,815	4,943
Finance costs	806	991	1,080	1,106	1,138	1,179	1,167	1,197	1,330	1,398
Total	31,965	34,490	35,716	36,941	38,373	39,637	40,846	42,176	43,648	45,002
Operating Surplus / (Deficit)	160	176	183	197	203	210	223	225	241	244
Asset disposals & fair value adjustments	30	35	35	30	35	35	30	35	30	35
Net Surplus / (Deficit)	190	211	218	227	238	245	253	260	271	279
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	190	211	218	227	238	245	253	260	271	279

East Waste

Long Term Financial Plan (LTFP): FY2027 - FY2036

Projected Statement of Financial Position

	Financial Year									
	1 2027	2 2028	3 2029	4 2030	5 2031	6 2032	7 2033	8 2034	9 2035	10 2036
Assets										
Current										
Cash & Cash Equivalents	2,943	3,246	3,626	3,952	4,282	4,656	4,973	5,011	5,516	5,997
Trade & Other Receivables	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824	1,824
Inventory	38	38	38	38	38	38	38	38	38	38
Total	4,805	5,108	5,488	5,814	6,144	6,518	6,835	6,873	7,378	7,859
Non-Current										
Infrastructure, Property, Plant & Equipment	14,514	15,235	15,995	16,196	16,680	17,316	17,224	17,903	21,301	21,907
Total	14,514	15,235	15,995	16,196	16,680	17,316	17,224	17,903	21,301	21,907
Total Assets	19,319	20,343	21,483	22,010	22,824	23,834	24,059	24,776	28,679	29,766
Liabilities										
Current										
Trade & Other Payables	1,607	1,637	1,669	1,702	1,737	1,774	1,811	1,851	1,893	1,937
Borrowings	2,285	3,258	3,534	3,823	3,932	4,186	4,513	4,399	4,566	4,566
Provisions	1,140	1,208	1,277	1,349	1,423	1,500	1,579	1,661	1,745	1,832
Total	5,032	6,103	6,480	6,874	7,092	7,460	7,903	7,911	8,204	8,335
Non-Current										
Borrowings	12,681	12,356	12,831	12,666	12,949	13,270	12,720	13,087	16,341	16,931
Provisions	190	258	327	399	473	550	629	711	795	882
Total	12,871	12,614	13,158	13,065	13,422	13,820	13,349	13,798	17,136	17,813
Total Liabilities	17,903	18,716	19,638	19,938	20,514	21,279	21,251	21,708	25,340	26,148
Net Assets	1,416	1,627	1,845	2,072	2,310	2,555	2,808	3,068	3,339	3,618
Equity										
Accumulated Surplus	1,416	1,627	1,845	2,072	2,310	2,555	2,808	3,068	3,339	3,618
Total	1,416	1,627	1,845	2,072	2,310	2,555	2,808	3,068	3,339	3,618

East Waste

Long Term Financial Plan (LTFP): FY2027 - FY2036

Projected Statement of Changes in Equity

	Financial Year									
	1	2	3	4	5	6	7	8	9	10
	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Balance at Start of Period	1,226	1,416	1,627	1,845	2,072	2,310	2,555	2,808	3,068	3,339
Net Surplus / (Deficit) for Year	190	211	218	227	238	245	253	260	271	279
Contributed Equity	-	-	-	-	-	-	-	-	-	-
Distribution to Councils	-	-	-	-	-	-	-	-	-	-
Balance at End of Period	1,416	1,627	1,845	2,072	2,310	2,555	2,808	3,068	3,339	3,618

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East Waste

Long Term Financial Plan (LTFP): FY2027 - FY2036

Projected Statement of Cash Flows

	Financial Year									
	1 2027	2 2028	3 2029	4 2030	5 2031	6 2032	7 2033	8 2034	9 2035	10 2036
Cash Flows from Operating Activities										
Receipts										
Operating Receipts	32,020	34,548	35,785	37,029	38,457	39,719	40,929	42,252	43,739	45,081
Investment Receipts	105	118	114	109	119	128	140	149	150	165
Payments										
Operating Payments	(28,001)	(29,982)	(30,909)	(31,865)	(32,952)	(33,971)	(35,020)	(36,216)	(37,334)	(38,487)
Interest Payments	(777)	(961)	(1,048)	(1,073)	(1,103)	(1,142)	(1,130)	(1,157)	(1,288)	(1,354)
Net Cash Flows from Operating Activities	3,347	3,723	3,942	4,200	4,521	4,734	4,919	5,028	5,267	5,405
Cash Flows from Investing Activities										
Receipts										
Sale of Replaced Assets	30	35	35	30	35	35	30	35	30	35
Payments										
Expenditure on Renewal/Replaced Assets	(3,532)	(3,998)	(4,238)	(3,912)	(4,496)	(4,843)	(4,275)	(5,137)	(4,536)	(5,394)
Expenditure of New/Upgraded Assets	(100)	(105)	(110)	(116)	(122)	(128)	(134)	(141)	(148)	(155)
Net Cash Flows from Investing Activities	(3,602)	(4,068)	(4,313)	(3,998)	(4,583)	(4,936)	(4,379)	(5,243)	(4,654)	(5,514)
Cash Flow from Financing Activities										
Receipts										
Proceeds from Borrowings	3,507	3,998	4,238	3,912	4,495	4,842	4,275	5,137	4,535	5,394
Payments										
Repayment of Borrowings	(2,430)	(3,144)	(3,258)	(3,534)	(3,823)	(3,932)	(4,186)	(4,513)	(4,399)	(4,566)
Repayment of Lease Liability	(185)	(206)	(229)	(254)	(280)	(335)	(312)	(371)	(244)	(238)
Net Cash Flow from Financing Activities	892	648	751	124	392	575	(223)	253	(108)	590
Net Increase (Decrease) in cash held	637	303	380	326	330	373	317	38	505	481
Cash & Cash Equivalents at beginning of period	2,306	2,943	3,246	3,626	3,952	4,282	4,656	4,973	5,011	5,516
Cash & Cash Equivalents at end of period	2,943	3,246	3,626	3,952	4,282	4,656	4,973	5,011	5,516	5,997

East Waste

Long Term Financial Plan (LTFP): FY2027 - FY2036

Projected Uniform Presentation of Finances









	Financial Year									
	1 2027	2 2028	3 2029	4 2030	5 2031	6 2032	7 2033	8 2034	9 2035	10 2036
Income										
<i>User Charges</i>	29,447	31,883	33,040	34,202	35,545	36,720	37,841	39,072	40,463	41,707
<i>Investment income</i>	105	118	114	109	119	128	140	149	150	165
<i>Grants, subsidies & contributions</i>	205	212	219	225	232	239	246	253	261	269
<i>Other</i>	2,368	2,453	2,526	2,602	2,680	2,760	2,842	2,927	3,015	3,105
	32,125	34,666	35,899	37,138	38,576	39,847	41,069	42,401	43,889	45,246
Expenses										
<i>Employee Costs</i>	9,782	10,359	10,670	10,990	11,424	11,767	12,120	12,599	12,977	13,366
<i>Materials, contracts & other expenses</i>	18,348	19,758	20,378	21,018	21,677	22,357	23,058	23,781	24,526	25,295
<i>Depreciation, amortisation & impairment</i>	3,029	3,382	3,588	3,827	4,134	4,334	4,501	4,599	4,815	4,943
<i>Finance costs</i>	806	991	1,080	1,106	1,138	1,179	1,167	1,197	1,330	1,398
	31,965	34,490	35,716	36,941	38,373	39,637	40,846	42,176	43,648	45,002
Operating Surplus / (Deficit)	160	176	183	197	203	210	223	225	241	244
Net Outlays on Existing Assets										
<i>Capital Expenditure on Renewal and Replacement of Existing Assets</i>	(3,532)	(3,998)	(4,238)	(3,912)	(4,496)	(4,843)	(4,275)	(5,137)	(4,536)	(5,394)
<i>Depreciation, amortisation & impairment</i>	3,029	3,382	3,588	3,827	4,134	4,334	4,501	4,599	4,815	4,943
<i>Proceeds from Sale of Replaced Assets</i>	30	35	35	30	35	35	30	35	30	35
	(473)	(581)	(615)	(55)	327	(474)	256	(503)	309	(416)
Net Outlays on New and Upgraded Assets										
<i>Capital Expenditure on New and Upgraded Assets</i>	(100)	(105)	(110)	(116)	(122)	(128)	(134)	(141)	(148)	(155)
<i>Amounts Specifically for New and Upgraded Assets</i>	-	-	-	-	-	-	-	-	-	-
<i>Proceeds from Sale of Surplus Assets</i>	-	-	-	-	-	-	-	-	-	-
Net Cash Flow from Financing Activities	(100)	(105)	(110)	(116)	(122)	(128)	(134)	(141)	(148)	(155)
Net Lending / (Borrowing) for the Financial Year	(413)	(510)	(542)	26	(246)	(392)	345	(419)	402	(327)

Long Term Financial Plan (LTFP): FY2027 - FY2036

Projected Financial Indicators

	Financial Year									
	1 2027	2 2028	3 2029	4 2030	5 2031	6 2032	7 2033	8 2034	9 2035	10 2036
Operating Surplus Ratio	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
Net Financial Liabilities Ratio	41%	39%	40%	38%	37%	37%	35%	35%	41%	41%
Asset Renewal Funding Ratio	102%	100%	100%	100%	100%	100%	100%	100%	100%	100%

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9.4 External Interim Audit Report FY2026

Report Author:	Finance Business Partner
Responsible Officer:	General Manager
Attachments	A: External Audit Work Plan FY2026 B: Galpins FY2026 Interim Audit Management Letter

Purpose and Context

To provide the East Waste Board (the Board) with an opportunity to review the results of the FY2026 Interim Audit conducted by external auditing firm Galpins.

Resolution of the Audit & Risk Management Committee

Moved Mr F Bell that the Audit & Risk Management Committee notes and receives the FY2026 Interim Audit Management Letter (Attachment B, Item 9.3, Audit & Risk Management Committee Meeting, 22 April 2026).

Seconded: Ms L Green

Carried

Recommendation of the Administration

That the East Waste Board notes and receives the FY2026 Interim Audit Management Letter (Attachment B, Item 9.4, East Waste Board Meeting, 30 April 2026).

Strategic Link

Objective 5. Provide Leadership

Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

Galpins were engaged as East Waste's external auditing firm in 2024 for a three-year term, with this being the third audit undertaken of East Waste's internal controls.

The Board will note that the external Audit Work Plan is typically presented for review ahead of the commencement of the interim audit, with the Work Plan scheduled for review in April, and the interim result presented at the June meeting cycles. However, as a result of East Waste and Galpins conflicting schedules, the interim audit was brought forward, undertaken in March 2026, sooner than anticipated in initial audit planning.

Given this, Administration has attached the External Audit Work Plan as at **Attachment A** for the Board's reference. Galpins have used The Better Practice Model – Internal Financial Controls (BPM) as a guide for selecting internal controls to be tested, consistent with the prior year approach.

Discussion

The FY2026 interim audit focused on seven critical business cycles and assessed 31 core controls. The final Interim Management Letter inclusive of Management response is provided at **Attachment B** for the review of the Board, with key points summarised below:

- 29 of 31 controls were assessed as operating effectively (94% effectiveness).
- There were no high-risk findings identified.
- Three moderate-risk findings were identified, all relating to the purchasing and procurement cycle.

This result is consistent with the FY2025 interim audit result, which also identified 29 of 31 controls as effective, with those controls deemed to be operating efficiently in FY2025 remaining effective through the FY2026 audit.

Notably, a gap relating to General Ledger reconciliations reported in FY2025 was identified to be operating effectively through the FY2026 audit as a result of remedial actions. However, additional findings were identified in relation to East Waste's procurement controls, aligning to FY2025 findings, with Administration supporting all recommendations made, and commitments noted in the Management Response.

Whilst Administration had successfully embedded the majority of prior recommendations, the findings are not surprising and relate primarily to legacy issues in East Waste's procurement controls, with Administration in the process of actioning a multi-year staged procurement improvement project to strengthen procurement activities, as noted in the FY2025 audit response. A number of improvements have already been implemented throughout FY2026, as noted in Galpins audit response, and referenced below:

- **Review of Procurement Policy:** A revised Procurement Policy was presented and subsequently adopted by the East Waste Board, including key updates that better aligned to East Waste's operations, allowing more flexibility without compromising procurement controls.
- **Strategic Partnership with LGA Procurement:** Administration has engaged LGA Procurement with a specific scope to manage upcoming market approaches for critical categories, including recycling, tyres and compostable bags, ensuring expert oversight and timely execution.
- **Transparency & Real-Time Reporting:** Key contract details are now provided as a standing item in East Waste Board and Audit & Risk Management Committee agendas. Furthermore, this data is being integrated into a Power BI dashboard scheduled to go live and be available to Constituent Councils in May 2026. This move ensures a dynamic, transparent approach that supports the continuous development of East Waste's governance.
- **Proactive Contract Monitoring:** Administration has implemented a more rigorous review process for contract expiries and contract tracking. By taking a proactive approach to procurement timelines, we are mitigating the risk of exposure to uncontracted pricing (as seen previously with organics disposal).
- **Effective Documentation of Exceptions:** Moving forward, where an exception to a standard market approach is required, the rationale and formal approval will be documented more effectively. This ensures that any deviation from the Procurement Policy is clearly justified, transparent, and auditable.
- **Enhanced Delegation Controls:** Following the endorsement of the revised Procurement Policy, Administration is ensuring all future contracts are evaluated based on the total

cumulative expenditure over the entire contract life to ensure they are approved at the appropriate delegation level.

Administration intends to keep the Board updated on procurement advancements via the information report of the East Waste Board Meeting Agenda. The Interim Audit Management letter was reviewed and subsequently received and noted by the Audit & Risk Management Committee, ahead of presentation to the East Waste Board.

Galpins

Accountants, Auditors & Business Consultants

2025/26 External Audit Plan

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1. AUDIT SCOPE

Opinion on the Financial Report

Per Schedule 2 – Provisions applicable to subsidiaries of the *Local Government Act 1999* (refer to s12(3)(a)), a subsidiary must provide member council/s with audited financial statements for the relevant year. Part 4 – Financial Statements (section 13) of the *Local Government (Financial Management) Regulations 2011* requires the financial statements of councils and their subsidiaries to be in accordance with the requirements set out in the Model Financial Statements (published by the Local Government Association).

We are to provide an opinion as to whether East Waste’s financial report presents fairly, in all material aspects, the financial position of East Waste as at the end of current financial year, and its financial performance and its cash flow for the year ended on that date in accordance with the *Australia Accounting Standards, Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

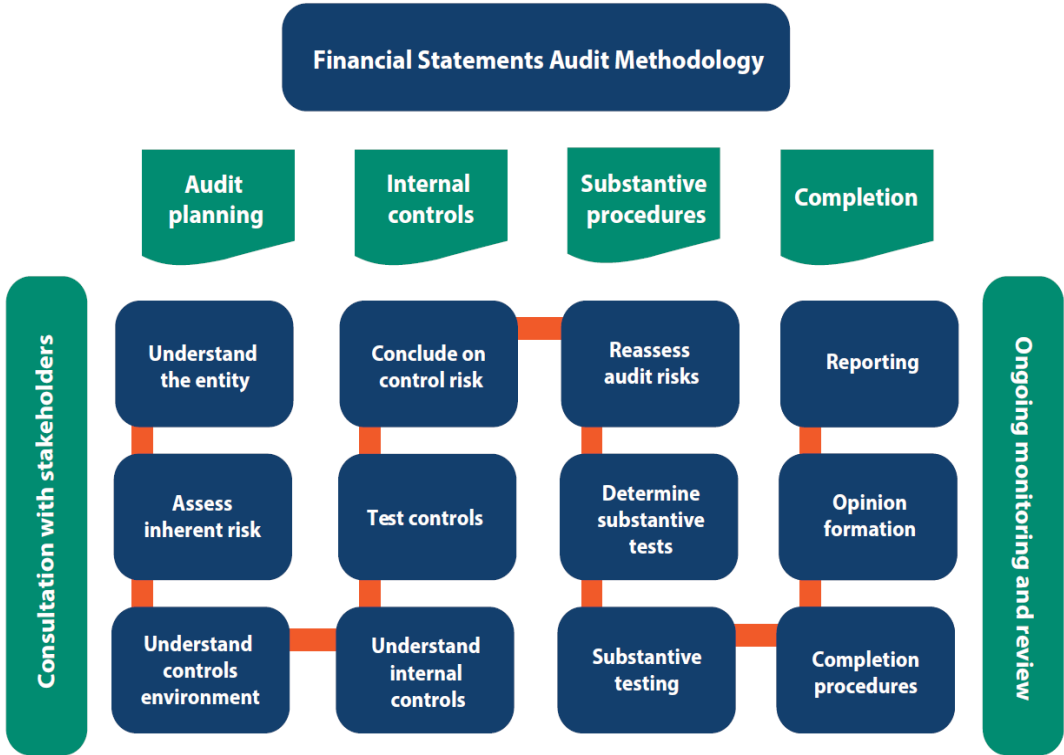
Applicable Financial Reporting Framework

The financial report is a general purpose financial report. The financial report is prepared in compliance with the *Local Government Act 1999*, in accordance with relevant Australian Accounting Standards and in accordance with the requirements set out in the Model Financial Statements (as required by the *Local Government (Financial Management) Regulations 2011*).

The financial report prepared by East Waste comprises a Statement of Comprehensive Income, a Statement of Financial Position, a Statement of Changes in Equity, a Statement of Cash Flows, notes disclosures and a certificate from the chair of the Board and the Chief Financial Officer.

2. AUDIT METHODOLOGY

The Galpins Audit Methodology is a risk-based methodology consisting of four main stages – Audit Planning, Internal Controls, Substantive Procedures and Completion. Further detail regarding these stages is provided below.



Our audit methodology incorporates all the key elements of a traditional audit approach, enhanced with the addition of modern audit techniques and artificial intelligence technology to create our own unique, industry leading methodology.

The stages are managed in an environment of ongoing monitoring and review and consultation with stakeholders.

Audit planning

The objective of the audit planning stage is to develop an understanding of the entity, its unique characteristics and requirements, allowing us to tailor our audit approach accordingly.

- We research and document the entity's industry, regulatory environment, legislative responsibilities, financial reporting environment and internal governance arrangements.
- We perform analytical review, carry out structured interviews with management and other relevant staff and conduct walkthroughs to gain an understanding of the internal controls at the entity level and the financial reporting process.
- Based on this knowledge, we identify and rank the risks of material misstatement, fraud and non-compliance with legislation
- Materiality for the engagement is determined for the financial statements as a whole; for individually significant items, and a threshold for clearly trivial differences is also established.
- The overall audit strategy is then developed and audit procedures defined to achieve an efficient and effective audit approach to mitigate identified risks.

Internal controls

We design and perform tests of internal controls to determine the risk of material misstatement in the financial statements, and add value by identifying opportunities for improvement in processes and controls.

- Informed by the insights gained from our planning, we obtain an understanding of key internal financial controls and perform tests of design and effectiveness for these controls.
- We use the results of control testing to refine our assessment of the risks of material misstatement and design further audit procedures to reduce risk where necessary.
- We apply our significant experience in the design, implementation and audit of internal control environments and activities to identify opportunities for improvement in our clients' internal financial controls

Substantive procedures

Using the latest audit techniques, including Artificial Intelligence Assisted Audit, we analyse financial transactions and identify high-risk transactions. Informed by insights gained from planning, controls testing and AI analysis, we design and perform tests of account balances and transaction streams.

- We use cutting edge Artificial Intelligence Assisted Audit and other techniques to assist us in analysing financial transactions and balances.
- The results of our analysis are used to identify specific high risk transactions to be tested, such as suspicious manual journals and payments, and provide insights into the financial health of the entity, performance trends, and other risk factors requiring audit attention.
- We design targeted substantive procedures, including analytical review and tests of detail, to address identified risks.
- The results of substantive testing performed during the audit are evaluated to determine the extent to which risks have been addressed. This enables us to develop a final assessment of the risk of material misstatement.

Completion

This stage consolidates all of the audit work performed during the previous stages to determine the appropriate audit opinion and report results to management and those charged with governance.

- We evaluate the results of audit testing and determine whether adjustments to the financial statements are required.
- We review the final financial statements to provide support regarding the best presentation of these reports.
- Following discussions with management, we prepare a management letter/s providing relevant feedback on the entity's financial operations, performance, internal controls and legislative compliance together with recommendations for improvements.
- Based on our final assessment of the risk of material misstatement, we issue an audit opinion regarding the presentation of the financial statements.

3. SUMMARY AUDIT PLAN

Audit Plan Summary Table – Statement of Comprehensive Income – Income

Account balance	Key Business cycle	2025	2024	Audit response	Audit Approach	Inherent risk
User charges	User charges	25,178	22,559	Section 4.1	Controls and Substantive	High
Investment Income	Other revenue	133	66	Section 4.4	Substantive	Low
Other income	Other revenue	2,085	1,574	Section 4.3	Substantive	Medium
		27,396	24,199			

Audit Plan Summary Table – Statement of Comprehensive Income – Expenses

Account balance	Key Business cycle	2025	2024	Audit response	Audit Approach	Inherent risk
Employee costs	Payroll	8,894	8,492	Section 4.2	Controls and Substantive	Medium
Materials, contracts and other expenses	Procurement / Credit cards	15,081	13,123	Section 4.1	Controls and Substantive	Medium
Depreciation, amortisation and impairment	Fixed assets	612	442	Section 4.3	Substantive	Low
Finance costs	Other expenses	2,590	2,512	Section 4.4	Substantive	Low
		27,177	24,569			

Audit Plan Summary Table – Statement of Comprehensive Income – Other SCI items

Account balance	Key Business cycle	2025	2024	Audit response	Audit Approach	Inherent risk
Asset Disposal & Fair Value Adjustments	Fixed assets	55	81	Section 4.4	Substantive	Low
Amounts Received Specifically for new/up assets	Grants		-	N/A	Substantive	Low
		55	81			

Audit Plan Summary Table – Statement of Financial Position – Assets

Account balance	Key Business cycle	2025	2024	Audit response	Audit Approach	Inherent risk
Cash and cash equivalents	Banking	1,722	1,634	Section 4.1	Controls and Substantive	High
Trade and other receivables	Debtors	1,824	1,082	Section 4.4	Substantive	Low
Inventories	Inventories	38	63	Section 4.4	Substantive	Low
Property, plant & equipment	Fixed assets	13,221	11,038	Section 4.3	Substantive	Medium
		16,805	13,817			

Audit Plan Summary Table – Statement of Financial Position – Liabilities

Account balance	Key Business cycle	2025	2024	Audit response	Audit Approach	Inherent risk
Trade and other payables	Accounts Payable	1,555	1,229	Section 4.2	Controls and Substantive	Medium
Borrowings current	Borrowings	1,015	1,011	Section 4.3	Substantive	Medium
Provisions current	Provisions	2,127	2,029	Section 4.3	Substantive	Medium
Borrowings non-current	Borrowings	10,875	8,546	Section 4.3	Substantive	Medium
Provisions non-current	Provisions	65	108	Section 4.3	Substantive	Medium
		15,637	12,923			

Audit Plan Summary Table – Statement of Financial Position – Equity

Account balance	Key Business cycle	2025	2024	Audit response	Audit Approach	Inherent risk
Accumulated surplus	Other business cycles	1,168	894	Section 4.4	Substantive	Low
		1,168	894			

4. KEY BUSINESS CYCLES – AUDIT APPROACH

4.1. High risk areas where audit will place reliance on controls

The Galpins audit methodology requires a controls approach for account balances and business cycles with inherent risks assessed as high. The account balances and business cycles listed below are considered high risk areas due to the materiality of the account balances, the high volume of transactions involved and/or other reasons outlined below:

Area	Why the risk is High	Overall audit response
<p>Business cycle: User charges</p> <p>Account balance/s: User charges</p>	<ul style="list-style-type: none"> - Largest revenue item - often used as a reference point for analysing expenditure decisions - high reliance placed on the accuracy of data captured by the weigh bridge and fees included in the fees and charges master file. 	<ul style="list-style-type: none"> - Walkthroughs and tests of effectiveness of controls - analytical review comparing the variances in revenue to the variances in the tonnages provided by the weigh bridge - analytical review comparing the GPS data used to track trucks to the percentage of use of trucks allocated to each constituent council when charging for waste collection - recalculation of a sample of amounts billed based on data captured by the weigh bridge, percentage of use of trucks the fees and charges included in master file billing data, fees and charges approved by the Board and formal contracts with customers. - reconciliation of reports provided by Jeffries and CAWRA to the accounting system.
<p>Business cycle: Banking</p> <p>Account balance/s: Cash and cash equivalents</p>	<ul style="list-style-type: none"> - Material balance - fraud risk - any instances of errors and/or fraud can be indicative of broader errors - poor attitude to cash controls may be indicative of overall culture related to the entity's control environment - involves public money. 	<ul style="list-style-type: none"> - Walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - bank confirmation - inspection of bank statements - inspection / reperformance of bank reconciliations - verification of outstanding reconciling items.

4.2. Medium risk areas where audit will place reliance on controls

The Galpins audit methodology provides that auditors can adopt either a controls or substantive approach for areas with inherent risks assessed as moderate. We have outlined below the medium risk areas where audit intend to place some reliance on controls.

Area	Why controls approach	Overall audit response
<p>Business cycle/s: Payroll</p> <p>Account balance/s: Employee costs, Provisions</p>	<ul style="list-style-type: none"> - Involves a considerable volume of transactions that are subject to error. - payroll records contain sensitive data and errors impact on individuals. - valuation, accuracy and existence assertions can only be fully addressed by performing a review the design and effectiveness of the payroll internal controls (e.g. approval of timesheets, independent review of payroll reports, security of the payroll master file data and records, reconciliations between payroll system and the general ledger, etc). 	<ul style="list-style-type: none"> - Walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of employee files (contracts, awards, EBs) - inspection of timesheets - recalculation of a sample of individual payments
<p>Business cycle/s: Purchasing, Procurement and Contracting, Accounts payable, Credit cards</p> <p>Account balance/s: Materials, Contracts & Other expenses, Trade and other payables</p>	<ul style="list-style-type: none"> - One of the largest expense items - high volume of transactions – subject to error - fraud risk area (procurement, payments and credit cards) - procurement and contracting are key focus areas for ICAC and the Auditor-General’s Department. 	<ul style="list-style-type: none"> - Walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of supporting documents (contracts, invoices, purchase orders, subsequent payments, etc) for a sample of expenses - reconciliation between subsidiary AP ledgers and the general ledger - inspection of subsequent payments for a sample of recorded creditors - inspection of a sample of subsequent payments (completeness test).
<p>Business cycle/s: General ledger</p> <p>Account balance/s: All</p>	<ul style="list-style-type: none"> - Values from all business cycles are captured in the GL, and therefore any concerns over GL controls are pervasive across all financial statement balances - good controls to ensure completeness and accuracy of the GL are essential to ensure the fair presentation of the financial report. 	<ul style="list-style-type: none"> - Walkthroughs and tests of effectiveness of controls from the Better Practice Model.

4.3. Medium risk areas (substantive approach)

The Galpins audit methodology provides that auditors can adopt either controls or substantive approach for areas with inherent risks assessed as moderate. We have outlined below the medium risk areas where audit do not intend to place reliance on controls.

Key Business Cycles	Why substantive approach	Overall audit response
Fixed assets	Key assertions at risk such as existence and valuation can be addressed by performing substantive procedures such as additions/disposals tests and recalculation of depreciation.	<ul style="list-style-type: none"> - Analytical procedures - enquiries re asset management practices in place to replace and maintain waste collection trucks - inspection of supporting documents for additions and/or disposals - review of useful life estimates and depreciation calculations.
Provisions	Key assertions at risk such as valuation can be addressed by performing substantive procedures such as recalculation of AL and LSL.	<ul style="list-style-type: none"> - Analytical procedures - review / recalculation of annual leave, long service leave and rostered day-off provisions.
Borrowings	Key assertions at risk such as valuation can be addressed by performing substantive procedures such as obtaining confirmation from the LGFA.	<ul style="list-style-type: none"> - Analytical procedures - inspection of balance confirmations from banks (e.g. LGFA, etc) - review of interest rates recorded in note disclosures.
Other income	Key assertions at risk such as accuracy and completeness can be addressed by performing analytical procedures and test of details such as inspection of relevant supporting document.	<ul style="list-style-type: none"> - Analytical procedures - enquires re the nature of these amounts - review of revenue recognition methodologies and assessment of whether they are accordance with accounting standards - inspection of relevant supporting documents.

4.4. Low risk areas (substantive approach)

The Galpins audit methodology provides that auditors can adopt a substantive approach for areas with inherent risks assessed as low. We intend on adopting a substantive approach for all low risk areas, with a focus on analytical procedures.

5. INTERNAL CONTROLS

Financial Internal Controls Selected for Audit

We design and perform tests of internal controls to determine the risk of material misstatement in the financial statements and add value by identifying opportunities for improvement in processes and controls. The table below summarises the number of controls to be tested for each key business cycle identified by audit:

Business cycles	Account Balance/s	BPM controls	Inherent Risk
User charges	User charges	5	High
Banking	Cash and cash equivalents	3	High
Purchasing and Procurement / Contracting	Materials / Contracts / Other Expenses	3	Moderate
Accounts Payables	Materials / Contracts / Other Expenses, Accounts Payable	4	Moderate
Credit cards	Materials / Contracts / Other Expenses	4	Moderate
Payroll	Employee Costs	6	Moderate
General Ledger	All accounts	6	Moderate
Total number of controls		31	

The findings will be rated as follows:

Category	Description
High Risk Weaknesses	The issue described could lead to a material misstatement in East Waste’s financial statements and/or a significant control failure.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material misstatement in East Waste’s financial statements and/or a significant control failure.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on East Waste’s financial risks. However, multiple low-level risk weakness within the same business cycle may lead to a material misstatement in East Waste’s financial statements and/or a significant control failure.

We have used *The Better Practice Model – Internal Financial Controls* (BPM) as a guide to select the internal controls to be tested for each key business cycles we identified. The BPM provides a number of internal financial controls within different business cycles that address a variety of inherent risks. A risk based approach is used to determine the key business cycles, and key risks within these business cycles, that we have determined as critical for the purpose of selecting the internal controls to be tested for this engagement.

A prioritised list of controls from the Better Practice Model (modified for Waste Authorities) is provided in Appendix 1. After completing our tests of effectiveness of internal controls we perform a control risk assessment for each account balance. The control risks are combined with our initial inherent risk assessment performed during our audit planning stage for determining the risk of material misstatements for each account balance (see section 6 of this plan for more details).

6. RISK OF MATERIAL MISSTATEMENTS

Risk of material misstatement consists of the following components:

Risks	Definition
Inherent risks	How susceptible to fraud or error the financial statements assertions are given the nature of the entity, considering a range of factors such as competency of staff, availability of information, prior period misstatements, accounting systems, level of supervision, etc before consideration of any related controls. The inherent risk assessment is performed during the planning stage when obtaining understanding of the entity’s business.
Controls risks	Risk of a misstatement due to error or fraud that could occur and not be prevented or detected by East Waste’s internal controls. The assessment of internal controls risk is performed during the internal controls stage after performing test of internal controls.

The risk of material misstatement will be based on the combination of inherent and controls risks as demonstrated in the table below:

		Inherent Risks		
		HIGH	MEDIUM	LOW
Controls Risks	HIGH	H	H	M
	MEDIUM	H	M	L
	LOW	M	L	L

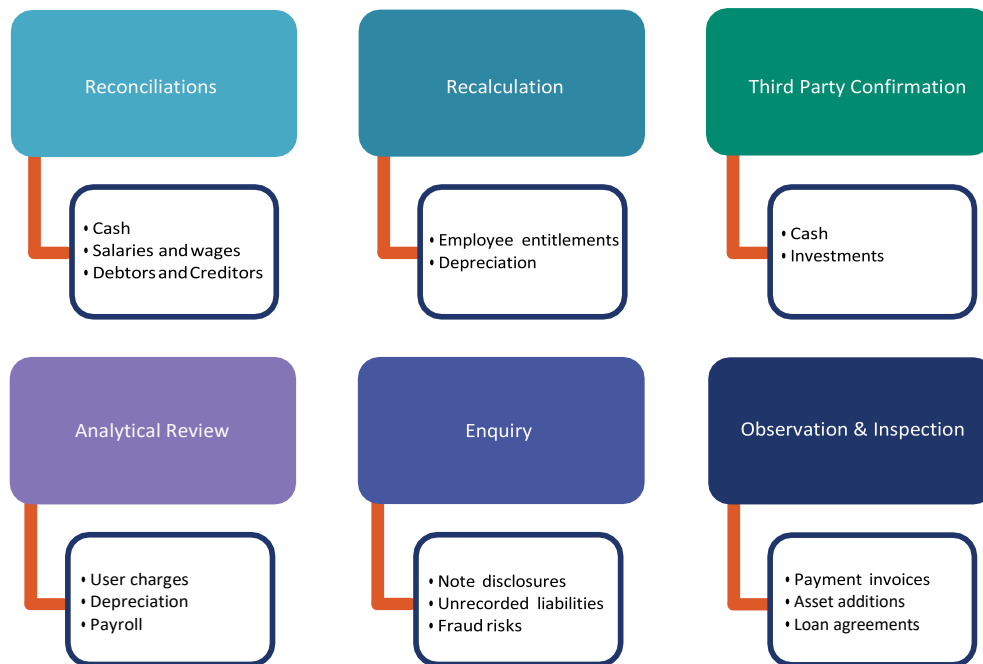
The risk of material misstatement will determine the nature and extent of our audit procedures and sample sizes to be utilised. Once we assess the risk of material misstatements (RoMM) we will design our substantive audit procedures to address identified risks. The table below summarises the impact of risk of material misstatements on our audit strategy:

Inherent Risk	Controls Risk	RoMM	Impact on audit strategy
Low	Low	Low	High reliance on controls/minimum level of substantive tests
	Medium	Low	Some reliance on controls/low level of substantive tests
	High	Medium	No reliance on controls/medium level of substantive tests
Medium	Low	Low	High reliance on controls/low level of substantive tests
	Medium	Medium	Some reliance on controls/medium level of substantive tests
	High	High	No reliance on controls/high level of substantive tests
High	Low	Medium	High reliance on controls/medium level of substantive tests
	Medium	High	No reliance on controls/high level of substantive tests
	High	High	No reliance on controls/high level of substantive tests

7. SUBSTANTIVE PROCEDURES

From our risk analysis (please refer to section 6 of this plan), we are able to design and refine appropriate substantive procedures, including analytical review and test of details, to address identified risks of material misstatements of financial statements.

Testing methods to be applied to account balances and transactions include:



Please refer to the audit timetable indicating the dates for our final visit to perform our final substantive procedures (please refer to section 9 of this plan).

Audit will request authorisation from East Waste to obtain an independent confirmation from relevant banks / financial of information such as East Waste’s account balances, securities, treasury management instruments, documents and other related information held on behalf of East Waste.

We will also require East Waste to request its lawyers to send a ‘Legal Representation Letter’ to us, identifying any matters with potential financial reporting implications (a template of the letter will be provided by the auditors).

8. AUDIT COMPLETION

This stage consolidates all the audit work performed during the previous stages. We perform a final risk of material misstatements assessment and conclude whether procedures performed were sufficient to reduce the audit risk to an acceptable level. We evaluate the results of audit testing and determine whether adjustments to the financial statements are required. We also review the final financial statements to promote the best presentation of these reports.

An audit completion report will be provided to the audit committee members containing:

- Our audit clearance
- Final Management Letter
- Details of key matters addressed during the audit
- Draft financial statement auditor’s report, and
- List of immaterial uncorrected misstatements (IUMs)

9. AUDIT TIMETABLE

The following is an indicative timetable for the audit. Actual audit dates will be negotiated with East Waste to ensure that dates are convenient.

Audit Activities	Indication of Dates
1. Initial Meetings with Finance Management and Key Staff Members	March
2. Detailed Audit Plan / Audit Program Development	March
3. Interim Site Visit (Internal controls review)	March
4. Interim Management Letter	March
5. Final Audit Visit	August
6. Audit Completion Report (with audit clearance)	August
7. Final auditor’s reports	Early September

10. CONTACT DETAILS



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APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS

USER CHARGES

Risks

R1	The fee charged does not reasonably reflect the value of the services provided.
R2	The Authority does not apply User Pay principles consistently.
R3	User pay income is either inaccurately recorded or not recorded at all.

RISKS	Control	Control Type
R1, R2	There is a process in place to establish fees and charges (including GST treatment) which are reviewed annually and adopted by the Authority.	Core
R1	Fees and Charges register is maintained and made available to the public. Additional considerations for waste management authorities: The Authority maintains a fees and charges master file in the billing system, which can only be modified by authorised staff members.	Core
R2	There is a process in place to ensure the fees and charges are applied in accordance with those adopted in the fees and charges register. Additional considerations for waste management authorities: There is a process to ensure that fees and charges master file data in the billing system is updated on a regular basis based on contracts and/or fees and charges approved by the Board.	Core
R1, R2	There is a process in place to ensure that amounts charged are in accordance with the Authority's Fees and Charges register. Additional considerations for waste management authorities: There is a process in place to ensure that invoices are generated by the billing system in accordance with the fees and charges master file.	Core
R1, R2	There is a process in place to ensure that fee for service income is accounted for. Additional considerations for waste management authorities: There is process to ensure that billing data is accounted for in accordance with data collected by the weigh bridge (e.g. tonnages, fees and charges master file data) and reconciled to the general ledger.	Core

BANKING

Risks

R1	Banking transactions are either inaccurately recorded or not recorded at all.
R2	Fraud (i.e. misappropriation of funds)

RISKS	Control	Control Type
R1,R2	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Core
R1	Access to EFT Banking system is restricted to appropriately designated personnel.	Core
R1,R2	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.	Core

Purchasing and Procurement

Risks

R1	The Authority does not obtain value for money in its purchasing and procurement.
R2	Purchases of goods and services are made from non-preferred suppliers.
R3	Purchase orders are either recorded inaccurately or not recorded at all.
R4	Purchase orders are made for unapproved goods and services.
R5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1	The Authority has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Core
R1,R2	Employees must ensure all purchases are in accordance with the Authority's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Core
R3	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Core

ACCOUNTS PAYABLE

Risks

R1	Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
R2	Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all.
R3	Disbursements are not authorised properly.
R4	Accounts are not paid on a timely basis.
R5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Core
R3	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Core
R1	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Core
R5	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Additional

CREDIT CARDS

Risks

- | | |
|----|-----------------------------------------------------------|
| R1 | Credit Cards are issued to unauthorised employees. |
| R2 | Credit Cards are used for purchases of a personal nature. |
| R3 | Credit Card limits are set at inappropriate levels. |

RISKS	Control	Control Type
R1,R3	There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.	Core
R1,R2	Credit card holders sign a declaration confirming compliance with the Authority policy and procedures prior to the Credit Card being released.	Core
R2	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.	Core
R2	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to the Authority.	Core

PAYROLL

Risks

R1	Payroll expense is inaccurately calculated.
R2	Payroll disbursements are made to incorrect or fictitious employees.
R3	Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.
R4	Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
R5	Voluntary and statutory payroll deductions are inaccurately processed or without authorisation.
R6	Employees termination payments are not in accordance with statutory and enterprise agreements.

RISKS	Control	Control Type
R1	There is a process in place to ensure accurate data entry of payroll source documents.	Core
R1, R3	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Core
R1	All calculations for generating payroll payments are verified for accuracy.	Core
R2	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Core
R2	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Additional
R3	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Core

GENERAL LEDGER

Risks

R1	General Ledger does not contain accurate financial information
R2	Data contained within the General Ledger is permanently lost.

RISKS	Control	Control Type
R1	All journals, including manual entries, identify date posted, narration, author, journal and posting reference.	Core
R1,R2	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Core
R1	Reconciliation of all balance sheet accounts are completed in accordance with a schedule of review and/or procedure.	Core
R1	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.	Core
R1	Journal entry access is restricted to appropriately authorised personnel.	Core
R1	There is a process in place to review actual vs budget and significant variances investigated.	Core

Galpins

Accountants, Auditors & Business Consultants

Financial Controls Review

East Waste

2025/26 Interim Management Letter

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1. EXECUTIVE SUMMARY

1.1 Scope of our interim audit

During our interim audit we perform procedures to gain an understanding of the internal controls in place relevant to the financial statements and perform tests of design and effectiveness for these controls. Based on the results of the control testing, we then assess the audit risks to define the extent and nature of our substantive procedures (e.g. inspection of documents, recalculation, reconciliation, etc) for our final visit.

We have used The Better Practice Model – Internal Financial Controls (BPM) as a guide to select the internal controls to be tested for each key business cycle we identified. The BPM provides a number of internal financial controls within different business cycles that address a variety of inherent risks. A risk based approach is used to determine the key business cycles, and key risks within these business cycles, that we have determined as critical for the purpose of assessing the effectiveness of the Authority's financial internal controls.

The identification of key core controls and key business risks included the following risk assessment procedures:

Risk review – A review of the Authority's inherent risk assessment for internal financial controls.

Financial statement review – A high level financial statement review performed to identify key accounts and transaction streams.

Internal / external audit results review – The findings and recommendations of internal / external financial audits are reviewed to identify known areas of weakness, and areas known to be attracting audit attention.

The key core controls for the following key business cycles have been identified as critical for assessing the effectiveness of the Authority's financial internal controls:

- Purchasing and Procurement/Contracting
- General Ledger
- Accounts Payable
- Payroll
- Credit Cards
- User charges
- Banking

We have included a list of key controls identified by audit for these business cycles as an appendix to this report (see Appendix 1). This list does not represent a complete population of internal controls that the Authority should have in place. There is an expectation that controls not in this list will still exist and be operating effectively within the Authority.

1.2 Overall review of the Authority’s internal controls

During our interim visit we found that the majority of key internal controls reviewed were in place and were operating effectively (29 out of 31 core controls reviewed). There were no high risk weaknesses identified. A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively	Operating Effectively	Operating Effectively	2026 Findings			
		2026	2025	2024	H	M	L	BP
Purch & Procur/Contracting	3	1*	2	2	-	3*	-	-
General Ledger	6	6	5	3	-	-	-	-
Accounts Payable (AP)	4	4	4	3	-	-	-	-
Payroll	6	6	6	5	-	-	-	-
Credit Cards	4	4	4	1	-	-	-	-
User charges	5	5	5	5	-	-	-	-
Banking	3	3	3	3	-	-	-	-
Total	31	29	29	22	-	3	-	-

*Note: 2 findings related to 1 control

We recommend that the Authority prioritises the moderate risk findings, as failure in compensating controls addressing the same risk or existence of multiple moderate weakness within the same business cycle may lead a material misstatement in East Waste’s financial statements.

The findings were rated as follows:

Category	Description
High Risk Weaknesses	The issue described could lead to a material misstatement in East Waste’s financial statements and/or a significant control failure.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material misstatement in East Waste’s financial statements and/or a significant control failure.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on East Waste’s financial risks. However, multiple low-level risk weakness within the same business cycle may lead to a material misstatement in East Waste’s financial statements and/or a significant control failure.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

1.3. Summary of findings

Business Cycle	Findings	Risk
Purch. Proc. Contracting	2.1.1 Absence of documentation providing evidence of approval of the market approach used and the rationale for its adoption	M
	2.1.2 Delay in procurement process leading to uncontracted supplier pricing	M
	2.1.3 Contract approved by officer without sufficient financial delegation	M
General Ledger	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A
Accounts Payable	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A
Payroll	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A
Credit cards	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A
User charges	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A
Banking	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A

2. DETAILED AUDIT FINDINGS

2.1 PURCHASE, PROCUREMENT AND CONTRACTING

2.1.1 Absence of documentation providing evidence of approval of the market approach used and the rationale for its adoption

Moderate

Control	Employees must ensure all purchases are in accordance with the Authority’s Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.
Risk	The Authority does not obtain value for money in its purchasing and procurement.

Finding	Recommendations	Management Response						
<p>The Authority has achieved significant improvements in strengthening its internal controls and procedures relating to procurement. For example, controls have been implemented to monitor cumulative spend per supplier, with regular reporting that includes commentary on the procurement procedures applied and compliance with the Procurement Policy.</p> <p>The Authority has also undertaken a comprehensive review of its Procurement Policy to ensure it is fit for purpose and aligned with current practices, strategic objectives, and procurement activities of the Authority.</p> <p>The current procurement policy provides the following acceptable approaches to market:</p> <table border="1"> <thead> <tr> <th>Estimated value range</th> <th>Acceptable approaches to market</th> <th>Decision making responsibility</th> </tr> </thead> <tbody> <tr> <td>\$1 to \$10,000</td> <td>Direct sourcing / negotiation Use of existing third party contracts Panel arrangements / arrangements with prequalified suppliers Strategic alliances</td> <td>Employees – within the limit of their delegated purchasing authority and the approved budget</td> </tr> </tbody> </table>	Estimated value range	Acceptable approaches to market	Decision making responsibility	\$1 to \$10,000	Direct sourcing / negotiation Use of existing third party contracts Panel arrangements / arrangements with prequalified suppliers Strategic alliances	Employees – within the limit of their delegated purchasing authority and the approved budget	<p>All procurement decisions, including the application of the acceptable market approach or exemptions from the Procurement Policy, are appropriately documented. This documentation should clearly evidence the approval in accordance with the Delegations of Authority, including the responsible decision-maker and the rationale for the approach adopted.</p> <p>In addition, where procurement strategies such as panel arrangements are referenced, the Authority ensures that such arrangements are formally established prior to their use, or alternatively documents the basis for the interim procurement approach. This will support transparency, compliance with the Procurement Policy, and auditability of procurement decisions.</p>	<p>Management acknowledges the findings and agrees with the recommendation by Galpins. The finding is reflective of known gaps in East Waste’s procurement practices, as identified in the prior year audit. As stated by Galpins, a series of improvements have been made since that time, with further planned activities to significantly improve East Waste’s procurement controls over the coming 12-24 months.</p> <p>Following the prior year audit, A revised Procurement Policy was presented and endorsed by the Board in June 2025, including key updates that better aligned to East Waste’s operations, allowing more flexibility without compromising procurement controls.</p> <p>The implementation of the cumulative spend review was critical to this process, allowing Administration to more accurately identify</p>
Estimated value range	Acceptable approaches to market	Decision making responsibility						
\$1 to \$10,000	Direct sourcing / negotiation Use of existing third party contracts Panel arrangements / arrangements with prequalified suppliers Strategic alliances	Employees – within the limit of their delegated purchasing authority and the approved budget						

\$10,001 to \$25,000	Direct negotiation with preferred supplier(s) where market is known to be limited. Use of existing third party contracts Extending existing contractual arrangements Panel arrangements / arrangements with pre-qualified suppliers Written quote from at least two suppliers Strategic Alliances	Employees – within the limit of their delegated purchasing authority and the approved budget	We note that a number of local government entities achieve this by documenting the reasons for the market approach adopted and the rationale for supplier selection in a procurement recommendation report, which is reviewed and approved by the appropriate delegate.	expenditure patterns and determine the most effective contract structures within our current vendor lists. To further support transparent outcomes and ensure auditability, we have immediately enhanced our documentation requirements to clearly evidence the rationale for chosen market approaches and formal delegated approvals.
\$25,001 to \$100,000	Direct negotiation with preferred supplier(s) where market is known to be limited Use of existing third party contracts Extending existing contractual arrangements Panel arrangements / arrangements with prequalified suppliers Joint procurement arrangements with other Councils Written quotes from at least three suppliers	Employees – within the limit of their delegated purchasing authority and the approved budget		Furthermore, the Authority has already engaged LGA Procurement to formally establish the required panel arrangements, with work already underway to transition from interim arrangements to formalised supplier panels. To ensure ongoing oversight and alignment with Policy, Administration has also commenced a formal process for reporting procurement exemptions to the Board, ensuring they are kept periodically informed of any deviations and the associated justifications.
\$100,000 to \$250,000	Direct negotiation with preferred supplier(s) where market is known to be limited Use of existing third party contracts Extending existing contractual arrangements Panel arrangements / arrangements with prequalified suppliers Written quotes from at least three suppliers Strategic alliances Open / Select / Limited / Staged Tender	Executive Leadership Team within the approved budget and limit of their delegated purchasing authority		
Greater than	Use of existing third party contracts Extending existing contractual	East Waste Board having taken into		

250,000	arrangements Panel arrangements / arrangements with prequalified suppliers Strategic Alliances Open / Select / Limited / Staged Tender	recommendations from the General Manager.
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The Policy states that, in certain circumstances, the East Waste Board or the General Manager may waive the application of the Policy. The General Manager is required to document the reasons for the exemption and report these to the Board.

The audit identified that, for the suppliers listed below, the cumulative spend spreadsheet maintained by the Authority included the following approach to market:

Supplier initials	Cumulative spend*	Approach to market annotated in the cumulative spend spreadsheet
NET	\$101,190	Extending existing arrangement
3L	\$51,07	Extending existing arrangement
MS	\$76,908	Requiring Fleet parts panel

* For the first six months of the 2025/26 FY.

The approach to market applied for NET and 3L is consistent with the Procurement Policy. However, there is no documented evidence to support who approved these decisions (in accordance with the defined decision-making responsibilities) or the rationale for applying this approach.

For MS, the approach to market refers to a fleet parts panel; however, such a panel has not yet been established. The Authority has advised that it is currently working with LGA Procurement to establish this panel.

2.1.2 Delay in procurement process leading to uncontracted supplier pricing

Moderate

Control The Authority has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money with a consistent framework with consideration of any potential conflicts of interest.

Risk The Authority does not obtain value for money in its purchasing and procurement.

Finding	Recommendations	Management Response														
<p>Audit performed an analytical review of payments made to the Authority's supplier for the disposal of organics, and identified a significant increase in expenditure during October and November:</p> <table border="1" data-bbox="91 687 943 927"> <thead> <tr> <th>Months</th> <th>Total expenditure</th> </tr> </thead> <tbody> <tr> <td>July</td> <td>\$106,761</td> </tr> <tr> <td>August</td> <td>\$109,784</td> </tr> <tr> <td>September</td> <td>\$145,010</td> </tr> <tr> <td>October</td> <td>\$349,267</td> </tr> <tr> <td>November</td> <td>\$229,415</td> </tr> <tr> <td>December</td> <td>\$44,230</td> </tr> </tbody> </table> <p>The contract with this supplier expired in September. Following the expiry, the supplier applied an additional uncontracted premium rate of \$43.45 per tonne.</p> <p>Management advised that the continued engagement of the supplier under an expired contract was due to delays in the procurement process, primarily resulting from staff turnover and a temporary lack of resources. A new supplier arrangement was subsequently established and commenced in December 2025.</p>	Months	Total expenditure	July	\$106,761	August	\$109,784	September	\$145,010	October	\$349,267	November	\$229,415	December	\$44,230	<p>Procurement processes for critical services, such as organics disposal, are planned and initiated sufficiently in advance of contract expiry to avoid exposure to uncontracted pricing arrangements.</p>	<p>Management acknowledges the findings and the financial impact resulting from the interim use of uncontracted rates for organics disposal. This delay was a direct result of temporary resource constraints during the procurement period, a situation which was made aware to the Audit & Risk Management Committee and the Board and worked through cautiously at that time.</p> <p>While a new arrangement was successfully established in December 2025, Administration is committed to ensuring that critical service procurements are initiated well in advance of expiry to prevent a recurrence of such exposure.</p> <p>To strengthen these controls, the Authority is acting as proactively as possible by engaging LGA Procurement to assist in going to market for upcoming major contracts, including tyres and recycling.</p> <p>Administration are also reporting the status of contracts to the Board periodically, as well as including the status of contracts as a key metric</p>
Months	Total expenditure															
July	\$106,761															
August	\$109,784															
September	\$145,010															
October	\$349,267															
November	\$229,415															
December	\$44,230															

in Council reporting through to newly established Service Level Agreements (SLAs).

2.1.3 Contract approved by officer without sufficient financial delegation

Moderate

Control Employees must ensure all purchases are in accordance with the Authority's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.

Risk The Authority does not obtain value for money in its purchasing and procurement.

Finding	Recommendations	Management Response
<p>The Authority entered into a 36-month contract with a supplier for the provision of IT managed services, effective from 1 September 2025 to 31 August 2028. The contract includes variable pricing based on the number of hours utilised.</p> <p>The contract was approved and signed by the Manager Business Services. Expenditure incurred under the contract from September 2025 to February 2026 totals approximately \$97,000. Given the term of the contract and the variable nature of the services, total expenditure over the life of the contract is expected to exceed the Manager Business Services' financial delegation limit of \$150,000.</p>	<p>Ensure that contracts are approved at an appropriate level of delegation, taking into account the total expected value over the contract term, including variable components.</p> <p>Where contract values are uncertain, the Authority should adopt a conservative estimate of total expenditure and seek approval from a higher level of authority where required.</p>	<p>Management acknowledges the finding and understands the importance of aligning contract approvals with the appropriate level of financial delegation, especially for long-term and variable-rate agreements. In this instance, the priority was to upgrade and maintain critical IT systems to ensure business continuity; however, we recognise that the total cumulative value over the 36-month term was incorrectly calculated and should have been escalated to a higher level of authority</p> <p>To prevent a recurrence, Administration is ensuring that all future contracts are evaluated based on a conservative estimate of the total expected expenditure over the entire contract life, rather than immediate or annual costs. This incident has been documented as an oversight occurring during a period of leadership transition, and we are strengthening our internal controls to</p>

		ensure that cumulative spend across all years of a contract is the primary factor in determining the required delegate for approval.
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3. LONG-TERM FINANCIAL SUSTAINABILITY CONSIDERATIONS

3.1 Opportunity to strengthen financial sustainability measures through defined NFLR targets and improved ratio calculation

Finding	Recommendations	Management Response
<p>The Long-Term Financial Plan 2025–2034 (LTFP) includes key financial indicators, including the Net Financial Liabilities Ratio (NFLR)*, which is projected to be approximately 50% in the initial years of the Plan.</p> <p>The Long-Term Financial Plan 2025–2034 does not define a target range or benchmark for this ratio to support assessment of the Authority’s borrowing capacity and long-term financial sustainability.</p> <p>In addition, the Authority operates under a full cost recovery model, whereby certain revenue streams (such as disposal charges and other services) are directly on-charged to Member Councils and offset by corresponding expenses. As these transactions inflate both revenue and expenditure with no net impact on financial position (adjusting for any timing variances), their inclusion in the NFLR calculation may inflate the denominator of the ratio and, as a result, decrease the reported ratio, potentially distorting the assessment of the Authority’s underlying financial position and borrowing levels.</p> <p><i>*NFLR calculation = Net financial liabilities / Total operating income</i></p>	<p>Consider establishing target ranges for the Net Financial Liabilities Ratio within the Long-Term Financial Plan 2025–2034 to support effective monitoring of borrowing levels and long-term financial sustainability.</p> <p>Consider excluding cost recovery revenue from the denominator of the ratio, or presenting an adjusted ratio, to ensure it reflects underlying operating income and provides a more accurate measure of financial performance and borrowing capacity.</p>	<p>Management accepts the recommendation to establish target ranges for the Net Financial Liabilities Ratio and will consider refining the calculation to exclude cost-recovery revenue. These enhancements will be incorporated into a future review of the Long-Term Financial Plan to ensure a more accurate assessment of the Authority’s borrowing capacity and sustainability.</p>

APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS

USER CHARGES

Risks

- R1 The fee charged does not reasonably reflect the value of the services provided.
 R2 The Authority does not apply User Pay principles consistently.
 R3 User pay income is either inaccurately recorded or not recorded at all.

RISKS	Control	Control Type
R1, R2	There is a process in place to establish fees and charges (including GST treatment) which are reviewed annually and adopted by the Authority.	Core
R1	Fees and Charges register is maintained and made available to the public. Additional considerations for waste management authorities: The Authority maintains a fees and charges master file in the billing system, which can only be modified by authorised staff members.	Core
R2	There is a process in place to ensure the fees and charges are applied in accordance with those adopted in the fees and charges register. Additional considerations for waste management authorities: There is a process to ensure that fees and charges master file data in the billing system is updated on a regular basis based on contracts and/or fees and charges approved by the Board.	Core
R1, R2	There is a process in place to ensure that amounts charged are in accordance with the Authority's Fees and Charges register. Additional considerations for waste management authorities: There is a process in place to ensure that invoices are generated by the billing system in accordance with the fees and charges master file.	Core
R1, R2	There is a process in place to ensure that fee for service income is accounted for. Additional considerations for waste management authorities: There is process to ensure that billing data is accounted for in accordance with data collected by the weigh bridge (e.g. tonnages, fees and charges master file data) and reconciled to the general ledger.	Core

BANKING

Risks

- R1 Banking transactions are either inaccurately recorded or not recorded at all.
 R2 Fraud (i.e. misappropriation of funds)

RISKS	Control	Control Type
R1,R2	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Core
R1	Access to EFT Banking system is restricted to appropriately designated personnel.	Core
R1,R2	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.	Core

Purchasing and Procurement

Risks

R1	The Authority does not obtain value for money in its purchasing and procurement.
R2	Purchases of goods and services are made from non-preferred suppliers.
R3	Purchase orders are either recorded inaccurately or not recorded at all.
R4	Purchase orders are made for unapproved goods and services.
R5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1	The Authority has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Core
R1,R2	Employees must ensure all purchases are in accordance with the Authority's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Core
R3	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Core

ACCOUNTS PAYABLE

Risks

R1	Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
R2	Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all.
R3	Disbursements are not authorised properly.
R4	Accounts are not paid on a timely basis.
R5	Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Core
R3	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Core
R1	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Core
R5	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Additional

CREDIT CARDS

Risks

- R1 Credit Cards are issued to unauthorised employees.
- R2 Credit Cards are used for purchases of a personal nature.
- R3 Credit Card limits are set at inappropriate levels.

RISKS	Control	Control Type
R1,R3	There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.	Core
R1,R2	Credit card holders sign a declaration confirming compliance with the Authority policy and procedures prior to the Credit Card being released.	Core
R2	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.	Core
R2	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to the Authority.	Core

PAYROLL

Risks

- R1 Payroll expense is inaccurately calculated.
- R2 Payroll disbursements are made to incorrect or fictitious employees.
- R3 Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.
- R4 Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
- R5 Voluntary and statutory payroll deductions are inaccurately processed or without authorisation.
- R6 Employees termination payments are not in accordance with statutory and enterprise agreements.

RISKS	Control	Control Type
R1	There is a process in place to ensure accurate data entry of payroll source documents.	Core
R1, R3	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Core
R1	All calculations for generating payroll payments are verified for accuracy.	Core
R2	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Core
R2	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Additional
R3	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Core

GENERAL LEDGER

Risks

- | | |
|----|----------------------------------------------------------------|
| R1 | General Ledger does not contain accurate financial information |
| R2 | Data contained within the General Ledger is permanently lost. |

RISKS	Control	Control Type
R1	All journals, including manual entries, identify date posted, narration, author, journal and posting reference.	Core
R1,R2	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Core
R1	Reconciliation of all balance sheet accounts are completed in accordance with a schedule of review and/or procedure.	Core
R1	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.	Core
R1	Journal entry access is restricted to appropriately authorised personnel.	Core
R1	There is a process in place to review actual vs budget and significant variances investigated.	Core

9.5 Review of the East Waste Charter

Report Author:	Executive Administration Officer
Responsible Officer:	General Manager
Attachments	A: East Waste Charter with Proposed Amendments B Current East Waste Charter

Purpose and Context

The East Waste Charter defines the purpose, authority, and operating framework of East Waste within the parameters established by its eight Constituent Councils. Under the *Local Government Act 1999*, a subsidiary's charter may be reviewed at any time but must, in any case, be reviewed at least once every four years.

The East Waste Charter is now due for a scheduled review, having last been revised in June 2022, when the City of Unley joined as a Constituent Council.

The revised Charter is presented for the consideration and endorsement of the East Waste Board (Board) before being presented to the Constituent Councils for approval.

It is recommended that the Board consider suspending Meeting Procedures in order to have a full and frank discussion on amendments to the Charter.

Recommendation/s of the Administration

That the East Waste Board

1. **Endorse the revised East Waste Charter (*Attachment A, Item 9.5, East Waste Board Meeting, 30 April 2026*) for presentation to the Constituent Councils.**
2. **That Administration be authorised to make changes of a minor technical or formatting nature to the revised East Waste Charter.**

Strategic Link

Objective 5. Provide Leadership

Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

Founded on 19 July 1928 and originally comprising of the Corporations of Kensington & Norwood and St. Peters and the District Councils of Burnside, Payneham and Walkerville, East Waste was originally known as the East Torrens Municipal Destructor Trust. In 1993 the entity's name changed to the Eastern Waste Management Authority, trading as East Waste.

East Waste, as it is today, is a regional subsidiary established pursuant to Section 43 of the *Local Government Act 1999* (Act) by eight Constituent Councils and is governed by the Act and the East Waste Charter.

History of the East Waste Charter

Date	Activity
November 2014	The East Waste Board resolved to begin a formal Charter review and conducted a comprehensive customer satisfaction survey. Member Council CEOs were to provide feedback on the Charter by March 2015. The 2015 review of the East Waste Charter focused on ensuring the Authority remained aligned with the operational needs and service expectations of its Constituent Councils.
September 2017	A major review of the Charter was completed in line with the admission of the City of Prospect.
2021	A cyclical legislative review was due in 2021 but was deferred to 2022 to align with the City of Unley's membership proposal.
June 2022	This review was comprehensive, incorporating "housekeeping" updates and changes necessary to admit the City of Unley as a new Constituent Council. The current version of the Charter was gazetted on 28 June 2022.
June 2024	In accordance with Clause 3.6 of the Charter a review was scheduled for June 2024. This review did not occur.

A copy of the current East Waste Charter is included at **Attachment B** to this report.

Discussion

The East Waste Charter is required to undergo a legislative review. This is an opportunity for the East Waste Board and the Constituent Councils to ensure East Waste's legal and strategic framework is fit for purpose in an increasingly complex environmental and economic climate.

In reviewing the Charter the following matters have been considered:

- Compliance with the requirements of Schedule 2, Part 2 of the *Local Government Act 1999*. The Act underwent significant reform in 2022.
- Alignment with the East Waste Strategic Plan and Green Industries SA *Accelerating SA's transition to a circular economy: South Australia's waste strategy 2025-2030*.
- The expectations of Constituent Councils and the formalised service level agreements.

Legislative Process for Charter Amendment

1. Initiation of Review:

The Constituent Councils (Councils) must review the Charter at least once in every four years. The Board or Councils can initiate this sooner if required by specific Charter clauses (e.g. Clause 3.6 of the current Charter which required a review two years after the Gazettal. the two-year requirement following the 2022 gazettal).

2. Drafting and Consultation:

Proposed amendments are drafted and then considered by:

- The East Waste Board.

- The Council CEO's. They will have insight into their Council's appetite for proposed changes.
- Each of the eight Constituent Councils.

3. Formal Approval by Councils:

The amendment/s must be approved by unanimous decision of all Constituent Councils. Each Council must pass a formal resolution to approve the revised Charter.

4. Ministerial Submission:

Once all Councils have approved the amendment/s, a copy of the amended Charter, and the relevant Council resolutions, must be provided to the Minister for Local Government.

5. Gazettal and Public Notice:

- A notice of the amendment, including the website address where the new Charter can be inspected, must be published in the South Australian Government Gazette.
- The updated Charter must be published on a website determined by the Constituent Councils (usually the East Waste website).

6. Effective Date:

An amendment is of no effect until the notice of the amendment is published in the Gazette.

Proposed Amendments to the East Waste Charter

The East Waste Charter has been reviewed to ensure that it meets legislative requirements and to ensure that it protects the interests of our Constituent Councils while providing the flexibility required to navigate the state's changing waste and environmental legislative landscape.

The changes proposed are identified as red-tracked changes in Attachment A. Minor changes of a grammatical nature have been suggested. No significant changes have been proposed other than:

- A proposal to amend Clause 21.1.1 *Appointment of Directors* to ensure that the skills and experience of new Directors aligns with current gaps in the Board's skill matrix and that the Chair of the Board is consulted before a new Director is appointed. Another approach may be a selection committee of the Board Chair and the Mayor and CEO of a Constituent Council before an appointment is made.
- The inclusion of a suggested clause relating to Board performance has been included in Attachment A at Clause 27.
- The inclusion of a clause providing civil liberty protections to East Waste employees. A draft clause has been included at Clause 33.3 in Attachment A.
- Clause 67 of the current Charter refers to the 'Local Government Superannuation Scheme' which is no longer in existence. A proposed amendment is included on Attachment A.

Matters that are currently ambiguous

Matters that do not provide a clear direction to the Authority have been included as green tracked changes to Attachment A and are listed below for ease of reference:

Clause		Issue / Consideration
19.9(d)(viii)	Special Decisions of the Authority Neither the Authority nor any person on its behalf may give effect to a Special Decision unless the Constituent	Administration request removal of this subclause as it is ambiguous.

	<p>Councils vote in favour of a resolution for the Special Decision by Absolute Majority.</p> <p>For these purposes, a Special Decision means any of the following: employ any employees.</p>	<p>Employment of staff is discussed at Clause 32.</p>
21.1.2	<p>Appointment of Chair</p> <p>One independent person (who shall be the Chair) appointed jointly by Absolute Majority of the Constituent Councils for a three-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:..</p>	<p>No clear indication of the number of three-year terms the Chair may serve and whether these terms are cumulative or consecutive.</p>
22.5	<p>Vacancy in Office</p> <p>The office of a Director becomes vacant if the Director:</p> <p>22.5.1 dies;</p> <p>22.5.2 is not reappointed;</p> <p>22.5.3 resigns by written notice addressed to the Constituent Councils and served on any of them;</p> <p>22.5.4 becomes bankrupt or applies for the benefit of a law for the relief of insolvent debtors;</p> <p>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;</p> <p>or 22.5.6 was appointed by a Constituent Council, which ceases to be a Constituent Council.</p>	<p>Consider including:</p> <ul style="list-style-type: none"> • The Director is removed from office by the Constituent Councils by written notice. • Fails to submit a Return as required by the Charter.
Nil	<p>Board Performance</p> <p>Not currently addressed.</p>	<p>Proposed Clause 27</p> <p>BOARD PERFORMANCE</p> <p>The Board will review and evaluate its own performance and the performance of its Committees at least once each year.</p> <p>The Board may determine the most appropriate method for assessment, which may include qualitative and quantitative measures such as self-</p>

		assessment questionnaires, peer reviews, or one-on-one interviews with the Chair
Nil	<p>Civil Liability Protection for East Waste Employees</p> <p>East Waste employees do not currently have civil liability protections.</p>	<p>Proposed Clause 33.3</p> <p>Consider including that East Waste will indemnify its employees against any civil liability incurred by the employee for an honest act or omission in the exercise, performance or discharge or purported exercise performance or discharge of powers, functions and duties of the employee under the <i>Local Government Act 1999</i> or any other Act.</p>

Amendments required as a result of legislative change.

The *Local Government Act 1999* underwent significant change in 2022 and as a result the following legislative reference in the Charter require amendment:

Clause		Amendment
24	Register of Interests	Should read Chapter 5, Part 4, Division 1 of the Act (currently reads – Part 2).
Clause 37	Director’s Conflict of Interest	It should read the provisions of Chapter 5, Part 4, Division 1 of the Act, Subdivision 4 of the Act apply to Directors.

Other proposed amendments

Clause		Amendment
Clause 3.6	<p>About this Charter</p> <p>Notwithstanding Clause 3.5 the first review of this Charter is to be completed two years from the date of Gazettal of the Charter.</p>	Suggest removal of Clause 3.6 which will bring the review cycle in line with the requirements of the Act.
Clause 67.2	Insurance	The parties agree that the Employer will pay Employer superannuation contributions in respect of each Employee into Hostplus, or the Employee may nominate their own Superannuation Fund.

		<p>Where an Employee does not nominate an alternate fund, the default shall be Hostplus Super. No Employee will be disadvantaged with the amount contributed to superannuation by the Employer regardless of superannuation fund.</p> <p>The amount of the Employer superannuation contribution will be in accordance with legislative requirements.</p> <p>Contributions which the Employer must pay to a superannuation fund in respect of the Employee in order to avoid becoming liable for a shortfall in respect of the Employee under the <i>Superannuation Guarantee (Administration) Act 1992</i> (Cth); and any additional superannuation contributions which the Employer agrees to pay in respect of the Employee.</p>
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Conclusion

The review of the East Waste Charter represents an important step in ensuring the organisation’s governance framework remains contemporary, compliant, and aligned with the expectations of its Constituent Councils. The proposed approach provides a balanced and pragmatic pathway to meet legislative obligations while maintaining operational stability.

Following Board endorsement, the immediate steps will include:

1. Circulating the draft Charter to Constituent Councils for preliminary comment and feedback.
2. Incorporating any agreed adjustments based on Council input.
3. Presenting the Council feedback to the East Waste Board for endorsement.
4. Submitting the final amended Charter to all Constituent Councils for formal adoption in accordance with the *Local Government Act 1999*.

This process will ensure the Charter continues to provide a clear, robust framework for the effective governance and operation of East Waste.

Endorsed 28 June 2022

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* means the proportion of the Authority's total time required to undertake waste collection activities for a Constituent Council (represented as a percentage) calculated in accordance with clause 57.
- 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, City of Prospect, City of Unley, Corporation of the Town of Walkerville.
- Core Activity* means activities associated with the collection, recycling and/or disposal of waste along with community behaviour change and ancillary services.
- 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 Gazette 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 1993 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.

Commented [VD1]: Remove comma

Commented [VD2]: Add space between 'equal proportions' and add full stop to end of sentence,

Commented [VD3]: Remove unnecessary spacing

- 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 Gazetta of the Charter.

Commented [VD4]: Proposed to revert to four year review as per clause 3.5

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 along with community behaviour change and ancillary services.;
- 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 and behaviour change 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, 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.

Commented [VD5]: Add semicolon.

Commented [VD6]: Separate out 'a' and 'representative'.

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;

Commented [VD7]: Add space between Constituent and Councils.

Commented [VD8]: Add space between complementary and functions

- 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;
- 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.

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 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.

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.

Commented [VD9]: Capitalise to align with rest of Charter

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;

Commented [VD10]: Administration request removal of this clause as it is ambiguous.

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 nine Directors appointed as follows:

- 21.1.1 one person appointed by each Constituent Council having regard for:
 - a) the skills, knowledge and experience required to support the Authority's strategic needs;
 - b) and any identified gaps in capability; and
 - c) following consultation with the chair,

Commented [VD11]: Suggested inclusion. Alternatively the formation of a selection panel for the appointment of new directors with the Chair and relevant Mayor and CEO may be appropriate.

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

~~21.1.1~~ 21.1.2 One independent person (who shall be the Chair) appointed jointly by Absolute Majority of the Constituent Councils for a three-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~~ ~~themselves~~.

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.

Commented [VD12]: No clear indication of the number of three year terms the Chair may serve and whether these terms are cumulative or consecutive.

Commented [VD13]: Outdated language

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.

Commented [VD14]: Consider including:
•The Director is removed from office by the Constituent Councils by written notice.
•Fails to submit a Return as required by the Charter.

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;

Commented [VD15]: Insertion of space

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 of 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 2-1 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.

27. BOARD PERFORMANCE

- 27.1 The Board will review and evaluate its own performance and the performance of its Committees at least once each year.
- 27.2 The Board may determine the most appropriate method for assessment, which may include qualitative and quantitative measures such as self-assessment questionnaires, peer reviews, or one-on-one interviews with the Chair.

Commented [VD16]: Proposed inclusion

PART 6—OTHER OFFICERS

28. CHAIR

- 28.1 At all times, the Authority must have a Chair, who will be the independent Director appointed under Clause 21.1.2.
- 28.2 The Chair's functions are:
 - 28.2.1 to preside at all meetings of the Board;
 - 28.2.2 to serve as an *ex officio* member of all committees established by the Board;
 - 28.2.3 to represent the Authority in relations with the media and the public generally; and
 - 28.2.4 to exercise other functions as the Board determines.

Commented [VD17]: Insert space

29. DEPUTY CHAIR

- 29.1 At all times, the Authority must have a Deputy Chair, who must be a Board Member.
- 29.2 The Board appoints the Deputy Chair and may at any time remove from office the Deputy Chair and appoint a replacement Deputy Chair.
- 29.3 The Deputy Chair's functions are:
 - 29.3.1 to assist the Chair; and
 - 29.3.2 to exercise the Chair's functions whenever the Chair is unable to do so.
- 29.4 A person ceases to be Deputy Chair if they cease to be a Board Member.

Commented [VD18]: Insert space

30. CHIEF EXECUTIVE OFFICER

- 30.1 At all times so far as practicable, the Authority must have a Chief Executive Officer.
- 30.2 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.
- 30.3 The Board shall appoint a Chief Executive Officer on a fixed term performance based employment contract, which does not exceed five years in duration.
- 30.4 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.
- 30.5 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.
- 30.6 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.
- 30.7 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.
- 30.8 The functions of the Chief Executive Officer shall include:
 - 30.8.1 ensuring that the decisions of the Board are implemented in a timely and efficient manner;
 - 30.8.2 providing information to assist the Board to assess the Authority's performance against its Business Plan;
 - 30.8.3 appointing, managing, suspending and dismissing other employees of the Authority;
 - 30.8.4 providing advice and reports to the Board on the exercise and performance of its powers and functions under this Charter or any Act;
 - 30.8.5 ~~co-ordinating~~ ~~co-~~ ~~ordinating~~ ~~co-~~ ~~ordinating~~ and initiating proposals for consideration of the Board including but not limited to continuing improvement of the operations of the Authority;
 - 30.8.6 ensuring that the assets and resources of the Authority are properly managed and maintained;
 - 30.8.7 ensuring that records required under the Act or any other legislation are properly kept and maintained;

- 30.8.8 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;
 - 30.8.9 issuing notices calling Board meetings;
 - 30.8.10 attending all Board meetings and keeping correct minutes of the proceedings unless excluded by resolution of the Board;
 - 30.8.11 managing all other employees of the Authority;
 - 30.8.12 receiving and answering correspondence and notices to the Authority;
 - 30.8.13 keeping all documents and records belonging to the Authority;
 - 30.8.14 supervising the handling of money by or for the Authority and the keeping of financial records;
 - 30.8.15 issuing receipts for ~~monies~~ money received and keep a correct account of all receipts and expenditure;
 - 30.8.16 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;
 - 30.8.17 having custody and safekeeping of the records of the Authority;
 - 30.8.18 preparing draft Annual and Business Plans for consideration of the Board;
 - 30.8.19 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;
 - 30.8.20 preparing such statements, reports, returns or other written information as the Act or any law requires the Authority to lodge with the government;
 - 30.8.21 preparing draft financial statements; and
 - 30.8.22 such other functions as the Board may vest in the Chief Executive Officer.
- 30.9 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:
- 30.9.1 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;
 - 30.9.2 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
 - 30.9.3 a written record of delegations and sub-delegations must be kept by the Chief Executive Officer at all times.
- 30.10 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.
- 30.11 The Chief Executive Officer may establish an Operations Assistance Committee consisting of one appropriately qualified senior officer from each Constituent Council.
- 30.12 The Chief Executive Officer will, at least annually, hold a meeting collectively with each of the Mayors and CEO's of the Constituent Councils at a venue to be notified to the Constituent Councils at least 14 days prior to the date of the meeting.

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Commented [VD20]: Inserted space

31. 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

32. 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

33. STAFF

- 33.1 In addition to a Chief Executive Officer, the Authority may employ other staff subject to the Board making appropriate financial provision.
- 33.2 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.
- 33.3 East Waste will indemnify its employees against any civil liability incurred by the employee for an honest act or omission in the exercise, performance or discharge or purported exercise performance or discharge of powers, functions and duties of the employee under the Local Government Act 1999 or any other Act.

PART 9—BOARD

34. BOARD

- The Authority must at all times have a Board comprised of Directors.
- 34.1 The Constituent Councils acknowledge and accept that the Directors will act and take decisions in the best interest of the Authority.
 - 34.2 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.

Commented [VD21]: Removed space

Commented [VD22]: Proposed inclusion - currently no civil liability protections for staff.

35. BOARD'S POWERS

- 35.1 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.
- 35.2 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.
- 35.3 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.
- 35.4 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.
- 35.4.1 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.

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36. BOARD MEETINGS

- 36.1 Subject to Schedule 2, Clause 21 of the Act, to a direction of the Constituent Councils and to the other provisions of this Charter.
- 36.1.1 the Board must determine its own procedures for meetings, which must be fair and contribute to free and open decision making;
- 36.1.2 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
- 36.1.3 the code of practice may be reviewed by the Board at any time but must be reviewed at least once in every three years.
- 36.2 An ordinary meeting of the Board must be held at least every three calendar months.
- 36.3 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.
- 36.4 An ordinary meeting of the Board will constitute an ordinary meeting of the Authority. The Board shall administer the business of the ordinary meeting.
- 36.5 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~~.
- 36.6 The Chair or any two Directors may call a special meeting of the Board.
- 36.7 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.
- 36.8 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:
- 36.8.1 sets out the place, date and time for the meeting;
 - 36.8.2 states the general nature of the business of the meeting;
 - 36.8.3 is accompanied by relevant information so far as reasonably available (if not already given to the Directors); and
 - 36.8.4 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).
- 36.9 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~~ on public ~~display at the principal office~~ of the Authority and of each Constituent Council.
- 36.10 As a matter of record, Schedule 2, Clause 21 (5) of the Act permits a virtual Board meeting.
- 36.10.1 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~~ their presence to all other Directors taking part in the meeting. A Director must not leave a telecommunications meeting by disconnecting ~~his/her~~ their telephone, audio visual or other communication equipment, unless that Director has previously notified the chair of the meeting.
- 36.11 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.
- 36.11.1 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.
- 36.12 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.

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- 36.13 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.
- 36.14 At any time, the Board may agree to invite a person to attend a Board meeting as an observer or adviser.
- 36.15 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.
- 36.16 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

37. COMPETITIVE NEUTRALITY

- 37.1 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.
- 37.2 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

38. 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 3-1 apply to Directors.

39. 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.

40. BOARD POLICIES AND CODES

- 40.1 The Authority must, in consultation with the Constituent Councils, prepare and adopt and thereafter keep under review policies on:
 - 40.1.1 procedures for meetings of the Board (in accordance with Clause 35.1 of this Charter);
 - 40.1.2 contracts and tenders, as would conform to Section 49 of the Act;
 - 40.1.3 public consultation, as would conform to Section 50 of the Act.
 - 40.1.4 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;
 - 40.1.5 occupational health and safety;
 - 40.1.6 protection of the environment.
- 40.2 To the extent it is able, the Board must ensure that such policies as above are complied with in the affairs of the Authority.
- 40.3 The Board must prepare and adopt within six months after the Gazettal of this Charter, a code of conduct to be observed by Directors.

41. 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:

- 41.1 that the Authority observes all plans, targets, structures, systems and practices required or applied to the Authority by the Constituent Councils;
- 41.2 that all information furnished to a Constituent Council is accurate; and
- 41.3 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.

42. BOARD DUTIES TO THE AUTHORITY

The Board must ensure:

- 42.1 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;
- 42.2 that the Authority acts ethically and with integrity;
- 42.3 that the activities of the Authority are conducted efficiently and effectively and that any assets of the Authority are properly managed and maintained; and
- 42.4 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

43. 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.

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44. ABOUT A BUSINESS PLAN

- 44.1 The Board must 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.
- 44.2 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.
- 44.3 The Long Term Financial and Asset Management Plans form part of the Business Plan.
- 44.4 In preparing and when reviewing a Business Plan, the Board must at a minimum have regard to the following:
 - 44.4.1 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;
 - 44.4.2 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;
 - 44.4.3 any plan or policy of a Constituent Council for waste management then in force, and any proposed changes to such plan or policy;
 - 44.4.4 the strategic management plans of each Constituent Council then in force; and
 - 44.4.5 the annual business plan and budget of each Constituent Council then in force.

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PART 13—NON-CORE ACTIVITY

45. ABOUT NON-CORE ACTIVITY

- 45.1 Where before the date this Charter becomes effective the Authority has committed to a Non-core Activity:
 - 45.1.1 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
 - 45.1.2 all the Constituent Councils are taken to be participants in that Non-core Activity with Non-core Shares equal to their Core Shares.
- 45.2 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.

46. NON-CORE ACTIVITY PROPOSALS

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

47. NON-CORE ACTIVITY CONSULTATION

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

48. NON-CORE PLAN REQUIREMENTS

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

- 48.1 the kind of service to which it relates;
- 48.2 its priority in relation to other existing or proposed Core Activity and Non-core Activity;
- 48.3 its expected duration;
- 48.4 a timetable for its full implementation;
- 48.5 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:
 - 48.5.1 personnel requirements over time, and how those requirements are to be satisfied;
 - 48.5.2 plant and equipment requirements over time, and how those requirements are to be satisfied;
 - 48.5.3 fuel and other consumables requirements over time, and how those requirements are to be satisfied;
 - 48.5.4 access to weigh-stations, recycling premises, and waste dump premises over time, and how those requirements are to be satisfied;
- 48.6 its anticipated expenditure, revenue and cash-flow outcomes over time (on a calendar monthly basis);
- 48.7 the sources of funds and when those funds need be sourced;
- 48.8 whether and if so what resources of a Constituent Council are required to be available to the Non-core Activity;
- 48.9 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;
- 48.10 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;
- 48.11 whether the auditors of the Authority have forecast any peculiar accounting or audit issues for the Non-core Activity;
- 48.12 governance issues, including whether and what delegations are required;
- 48.13 whether the Non-core Activity is a significant business activity and if so, how adherence to the National Competition Policy will be assured; and
- 48.14 how the Non-core Plan may change over time.

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49. CONDITIONS OF ADOPTION OF A NON-CORE PLAN

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

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

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- 49.2 the Constituent Councils have each resolved to:
- 49.2.1 approve their Council's participation in the Non-core Activity; and
 - 49.2.2 make any necessary consequential changes to their Council's strategic management plans, annual business plan and budget.

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

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

51. 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

52. ANNUAL PLAN

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

- 52.1 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;
- 52.2 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;
- 52.3 take into account the objectives set out in the Business Plan and, in particular, the Long-Term Financial Plan and issues relevant to the management of assets and resources by the Authority;
- 52.4 set out proposals for the recovery of overheads over the financial year from the Constituent Councils; and
- 52.5 address or include any other matter prescribed by the Constituent Councils or determined to be relevant by the Board.

53. ABOUT AN ANNUAL PLAN

- 53.1 An adopted Annual Plan binds the Authority and is the basis upon which the Budget is prepared.
- 53.2 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.
- 53.3 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.

54. 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.

55. ABOUT A BUDGET

- 55.1 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).
- 55.2 Each Budget of the Authority must be adopted:
 - 55.2.1 after the Authority has adopted its Annual Plan;
 - 55.2.2 must be consistent with that Plan; and
 - 55.2.3 before 30 June in each financial year.

56. EXPENDITURE OUTSIDE A BUDGET

- 56.1 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.
- 56.2 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

57. 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.

58. VARIATION OF SHARES

- 58.1 At the date of operation of this Charter the Constituent Councils' shares in the Authority are equal.
- 58.2 At any time, all the Constituent Councils may in writing agree to vary the Share of one or more of them.
- 58.3 The Shares must be reviewed and, as necessary, varied each time:
 - 58.3.1 a council is admitted to the Authority as a Constituent Council;
 - 58.3.2 a Constituent Council amalgamates with another council; or
 - 58.3.3 a Constituent Council resigns from the Authority.

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58.4 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

59. 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.

60. CONSTITUENT COUNCIL CONTRIBUTIONS TO WORKING CAPITAL

- 60.1 This Clause applies only to a Core Activity.
- 60.2 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).
- 60.3 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).
- 60.4 The Authority must use contributions received from a Constituent Council only for the purposes of a Core Activity as set out in the Budget.
- 60.5 If a Constituent Council (a Defaulter) fails to pay its full contribution so required when due:
 - 60.5.1 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;
 - 60.5.2 the Authority may recover that amount and that interest from the Defaulter as a debt;
 - 60.5.3 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
 - 60.5.4 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.

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61. 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.

62. DISTRIBUTIONS TO CONSTITUENT COUNCILS

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

63. 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

64. 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.

65. 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.

66. INVESTMENTS

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

- 66.1 in waste management infrastructure and ancillary land;
- 66.2 in plant and equipment to store, transfer and/or treat waste;
- 66.3 in plant and equipment to transport waste from properties to an appropriate place of storage and/or disposal; and
- 66.4 cash on interest-bearing deposit with any bank.

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67. 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

68. INSURANCE

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

68.2 The parties agree that the Employer will pay Employer superannuation contributions in respect of each Employee into Hostplus, or the Employee may nominate their own Superannuation Fund. Where an Employee does not nominate an alternate fund, the default shall be Hostplus Super. No Employee will be disadvantaged with the amount contributed to superannuation by the Employer regardless of superannuation fund.

68.3 The amount of the Employer superannuation contribution will be contributions which the Employer must pay to a superannuation fund in respect of the Employee in order to avoid becoming liable for a shortfall in respect of the Employee

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Endorsed 28 June 2022

under the Superannuation Guarantee (Administration) Act 1992 (Cth); and any additional superannuation contributions which the Employer agrees to pay in respect of the Employee.

PART 19—FINANCIAL PRACTICES

69. ACCOUNTING RECORDS

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

70. 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.

71. 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

72. 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.

73. 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.

74. 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.

75. ANNUAL REPORTS

- 75.1 As a matter of record, Schedule 2, Clause 28 of the Act requires the Authority to furnish an annual report to the Constituent Councils.
- 75.2 The annual report will be in such format and include such content as the Constituent Councils may prescribe by Absolute Majority.
- 75.3 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

76. DISPUTE RESOLUTION

76.1 About this clause:

- 76.1.1 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.
- 76.1.2 The Authority and a Constituent Council must continue to observe and perform this Charter despite the application or operation of this clause.
- 76.1.3 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.
- 76.1.4 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.

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

- 76.2.1 the nature of the dispute, giving reasonable details;
- 76.2.2 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.

76.3 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.

76.4 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:

- 76.4.1 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);

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- 76.4.2 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;
- 76.4.3 the mediation must take place in a location in Adelaide agreed by the parties;
- 76.4.4 a party in dispute must co-operate in arranging and expediting mediation;
- 76.4.5 a party in dispute must send to the mediation a senior manager with authority to resolve the dispute;
- 76.4.6 the mediator may exclude lawyers acting for the parties in dispute and may co-opt expert assistance as the mediator thinks fit;
- 76.4.7 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;
- 76.4.8 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;
- 76.4.9 a party in dispute need not spend more than one day in mediation for a matter under dispute;
- 76.4.10 a party in dispute must bear an equal share of the costs and expenses of the mediator and otherwise bears their own costs.
- 76.5 **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:
- 76.5.1 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);
- 76.5.2 the role of the arbitrator is to resolve the dispute and make decisions binding on the parties;
- 76.5.3 the arbitration must take place in an agreed location in Adelaide;
- 76.5.4 a party must co-operate in arranging and expediting arbitration;
- 76.5.5 a party must send to the arbitration a senior manager with authority to resolve the dispute;
- 76.5.6 the parties may provide evidence and given written and verbal submissions to the arbitrator within the time set by the arbitrator;
- 76.5.7 the arbitrator must:
- (a) consider the evidence and submissions;
 - (b) decide the dispute; and
 - (c) give written reasons to each party;
- 76.5.8 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 1986/2011 (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;
- 76.5.9 the costs and expenses of the arbitrator and of each party must be borne as the arbitrator decides.

PART 22—WINDING UP

77. **WINDING UP**

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

78. **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

79. **COMMITTEES**

- 79.1 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.
- 79.2 A member of a committee established under this Clause holds office at the pleasure of the Board.
- 79.3 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.
- 79.4 A member of an advisory committee established under this Clause holds office at the pleasure of the Board.

PART 24—OTHER MATTERS

80. **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.

81. **PRINCIPAL OFFICE**

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

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Endorsed 28 June 2022

82. 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'.

83. 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.

Leonard Lyland ~~Rob Gregory~~, General Manager East Waste

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LOCAL GOVERNMENT ACT 1999 EASTERN WASTE MANAGEMENT AUTHORITY
Charter

PART I—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 means the proportion of the Authority's total time required to undertake waste collection activities for a Constituent Council (represented as a percentage) calculated in accordance with clause 57.

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, City of Prospect, City of Unley, Corporation of the Town of Walkerville,.

Core Activity means activities associated with the collection, recycling and/or disposal of waste along with community behaviour change and ancillary services.

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 Gazettal 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 1993 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 along with community behaviour change and ancillary services.;
 - 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 and behaviour change 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, 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;
- 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.

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 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.

- 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 nine 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 three-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 three-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 of 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 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.
- 29.12 The Chief Executive Officer will, at least annually, hold a meeting collectively with each of the Mayors and CEO's of the Constituent Councils at a venue to be notified to the Constituent Councils at least 14 days prior to the date of the meeting.

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 virtual Board meeting.
- 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 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 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 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 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

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

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

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.

Rob Gregory, General Manager East Waste

9.6 Draft Public Interest Disclosure Procedure

Report Author:	Executive Administration Officer
Responsible Officer:	Acting Manager Business Services
Attachments	A: Draft Public Interest Disclosure Procedure

Purpose and Context

The *Public Interest Disclosure Act 2018* and the *Public Interest Disclosure Regulations 2019* came into effect on 1 July 2019 with the purpose to encourage and facilitate disclosures of certain information (information that raises a potential issue or substantial risk to public health and safety, or the environment and about corruption, misconduct or maladministration in public administration) by ensuring that proper procedures are in place for making and dealing with such disclosures and by providing protection for persons making such disclosures.

The draft Public Interest Disclosure Procedure (PID Procedure) is a statutory procedure required under the *Public Interest Disclosure Act 2018* (PID Act).

It is presented to the East Waste Board for consideration and adoption.

Recommendation/s of the Audit & Risk Management Committee

Due to the lateness of the hour Committee Members emailed their individual feedback to the Administration. The Audit & Risk Management Committee supported content of the Procedure.

Recommendation/s of the Administration

That the East Waste Board having considered the content of the draft Public Interest Disclosure Procedure:

1. Provide the following feedback
2. Adopt the draft Public Interest Disclosure Procedure (Attachment A, Item 9.6, East Waste Board Meeting, 30 April 2026).
3. Authorise the Administration to make changes of a minor technical or formatting nature to the Public Interest Disclosure Procedure.

Strategic Link

Objective 5. Provide Leadership

Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

A Model Public Interest Disclosure Policy and Procedure was prepared by HWL Ebsworth Lawyers for the Local Government Association of SA (LGASA) in May 2019 to assist councils to transition

from the *Whistleblowers Protection Act 1993* to the new *Public Interest Disclosure Act 2018* (PID Act).

In October 2021 there was significant legislative change to both the *Independent Commission Against Corruption Act 2012* (ICAC Act) and the *Ombudsman Act 1972* which impacted the reporting mechanisms in the PID Act.

East Waste's draft Public Interest Disclosure Procedure was developed using the LGSA model Procedure and the [Public Interest Disclosure Guidelines](#) as published by the Independent Commission Against Corruption in April 2022.

As a council subsidiary East Waste will only receive public administration disclosure with environmental and health disclosures being referred to the relevant Council area.

The PID Procedure must be maintained to align with any applicable guidelines published by the Independent Commission Against Corruption.

Discussion

Section 12 of the *Public Interest Disclosure Act 2018* outlines the responsibilities of principal officers (e.g. the General Manager). These include appointing Responsible Officers under the PID Act and ensuring that a document is developed and maintained which details the procedures for individuals wishing to make a public interest disclosure to East Waste, as well as the processes by which Responsible Officers will handle such disclosures.

Responsible Officers' duties include receiving disclosures of public interest information, making recommendations to principal officers in relation to disclosures, and advising employees about the public interest disclosure process.

Public officers who are to be designated as Responsible Officers under the PID Act are required to have completed training provided by the Independent Commission Against Corruption. The Executive Administration Assistant has completed this training and is eligible to be designated as a Responsible Officer. The General Manager and Manager Business Services will undertake this training.

Following the adoption of the PID Procedure by the East Waste Board training will be conducted for all existing East Waste employees and will be included in the induction process for new employees.

Copies of the Public Interest Disclosure Guidelines will be made available to the directors of the East Waste Board Directors and independent members of Board Committees.

Public Interest Disclosure Procedure

1. Principal Officer - Statement of Intent

- 1.1.** This Procedure has been prepared in accordance with the requirements of sections 12(4) and (5) of the *Public Interest Disclosure Act 2018* (PID Act) and the [PID Guidelines](#).
- 1.2.** As General Manager of East Waste and designated Principal Officer for the purposes of the PID Act, I expect that the implementation and operation of the PID Act will encourage and facilitate:
- further transparency and accountability in East Waste's administrative and management practices; and
 - the Disclosure, in the public interest, of information about substantial risks to public health or safety, or to the environment, and about corruption, misconduct and maladministration in public administration.
- 1.3.** This Procedure is designed to enable that to occur, by ensuring that proper procedures are in place for the making of such Disclosures and for dealing with such Disclosures, and by providing appropriate protections for those who make such Disclosures.
- 1.4.** I, and the other employees, officers and Directors of East Waste remain deeply committed to the protection of informants who make public interest Disclosures in accordance with the PID Act, and to the genuine and efficient consideration and action in relation to information provided to East Waste via a public interest Disclosure, as contemplated and demonstrated by this Procedure.

Leonard Leyland
Principal Officer
General Manager
East Waste

2. Introduction

- 2.1. This Procedure has been developed to ensure that East Waste, in meeting its obligations under the *Public Interest Disclosure Act 2018*, encourages and facilitates Appropriate Disclosures of Public Interest Information and, in doing so, provides protections in accordance with the Act to persons making such Disclosures.
- 2.2. As a council subsidiary East Waste's Responsible Officers may receive Appropriate Disclosures of Public Interest Information relevant to corruption, misconduct and maladministration in public administration.
- 2.3. Disclosures relating to substantial risks to public health or safety or the environment should be referred the Responsible Officer for the relevant council area where the incident occurred or an appropriate agency e.g. the Environmental Protection Agency or the Office of Public Integrity.
- 2.4. This Procedure:
 - provides a process by which an Appropriate Disclosure of Public Interest Information may be made by a person to a Relevant Authority at East Waste.
 - outlines how the Relevant Authority at East Waste will receive disclosures, including the secure methods for receiving and storing information.
 - sets out the criteria that will be applied in the assessment of a Public Interest Information Disclosure and the way the details of the assessment will be securely stored.
 - specifies the manner in which an Informant will be notified as to action taken in respect of an Appropriate Disclosure of Public Interest Information.
 - applies to appropriate Disclosures of Public Interest Information that are made in accordance with the Act, by public officers including Board Members, employees and contractors of East Waste.

3. Our Approach

- 3.1. East Waste is committed to encouraging the making of appropriate Disclosures of Public Interest Information in accordance with this Procedure including:
 - The protection of informants who make public interest Disclosures and also those to whom the information relates.
 - Referring, as necessary, appropriate Disclosures to another Relevant Authority.
 - Where the Disclosure relates to corruption, reporting the Disclosure directly to the Office for Public Integrity (OPI) in accordance with the [OPI Directions and Guidelines](#) and the requirements of the (*Independent Commission Against Corruption Act 2012*) ICAC Act.
 - Where the Disclosure relates to misconduct or maladministration in public administration, reporting the Disclosure directly to the Ombudsman in accordance with the [Ombudsman Directions and Guidelines](#).

- This Procedure will be available free of charge for inspection at East Waste’s Offices during ordinary business hours and via the East Waste [website](#) . Copies will also be provided to the public upon request and upon payment of a fee in accordance with the East Waste’s Schedule of Fees and Charges.

4. Scope

- 4.1. This Procedure applies to appropriate Disclosures of public interest information, which are made in accordance with the PID Act, by public officers including Directors, employees and contractors of East Waste.
- 4.2. This Procedure is intended to support the legislatively required reporting framework under the ICAC Act and the *Ombudsman Act 1972* (Ombudsman Act), and to operate in conjunction with existing policies.

5. Definitions

- 5.1. For the purposes of this Procedure the following definitions apply:

Commission	means the Independent Commission Against Corruption.
Commissioner	means the person holding or acting in the office of the Independent Commissioner Against Corruption.
Corruption in public administration	is defined in section 5(1) of the ICAC Act and means conduct that constitutes: <ul style="list-style-type: none"> • an offence against Part 7 Division 4 (Offences relating to public officers) of the <i>Criminal Law Consolidation Act 1935</i>, which includes the following offences: <ul style="list-style-type: none"> • bribery or corruption of public officers; • threats or reprisals against public officers; • abuse of public office; • demanding or requiring benefit on basis of public office; • offences relating to appointment to public office; or • an offence against the Lobbyists Act 2015, or an attempt to commit such an offence; or • any of the following in relation to an offence referred to in a preceding paragraph: <ul style="list-style-type: none"> • aiding, abetting, counselling or procuring the commission of the offence; • inducing, whether by threats or promises or otherwise, the commission of the offence; • being in any way, directly or indirectly, knowingly concerned in, or party to, the commission of the offence; • conspiring with others to effect the commission of the offence.
Detriment	as per section 9(7) of the PID Act detriment includes: <ul style="list-style-type: none"> • loss or damage (including damage to reputation); or

	<ul style="list-style-type: none"> • injury or harm (including psychological harm); or • intimidation or harassment; or • discrimination, disadvantage or adverse treatment in relation to a person's employment; or • threats of reprisal.
Disclosure	for the purposes of the PID Act means an appropriate disclosure of public interest information made by an Informant to a Relevant Authority
Appropriate Disclosure of environmental and health information	as per section 5(3) of the PID Act, a person makes an appropriate Disclosure of environmental and health information if the disclosure is made to a relevant authority and the person: <ul style="list-style-type: none"> • believes on reasonable grounds that the information is true; or • is not in a position to form a belief on reasonable grounds about the truth of the information, but believes on reasonable grounds that the information may be true and is of sufficient significance to justify its Disclosure so that its truth may be investigated.
Appropriate Disclosure of public administration information	as per section 5(4) of the PID Act, a person makes an appropriate Disclosure of public administration information if the disclosure is made to a relevant authority and the public officer reasonably suspects that the information raises a potential issue of corruption, misconduct or maladministration in public administration.
Environmental and health information	means information that raises a potential issue of a substantial risk to the environment or to the health or safety of the public generally or a significant section of the public.
Informant	means a person who makes an appropriate Disclosure of public interest information to a Relevant Authority
Maladministration in public administration	as per section 4(2) of the Ombudsman Act means: <ul style="list-style-type: none"> • conduct of a public officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorised use of public money or substantial mismanagement of public resources; or • conduct of a public officer involving substantial mismanagement in or in relation to the performance of official functions; and • includes conduct resulting from impropriety, incompetence or negligence; and • is to be assessed having regard to relevant statutory provisions and administrative instructions and directions.

Misconduct in public administration	<p>as per section 4(1) of the Ombudsman Act means an intentional and serious contravention of a code of conduct by a public officer while acting in their capacity as a public officer that constitutes a ground for disciplinary action against the officer.</p>
Ombudsman Directions and Guidelines	<p>means the directions and guidelines issued pursuant to section 12D(1) of the Ombudsman Act relating to reporting matters of suspected misconduct or maladministration in public administration.</p>
Office for Public Integrity (OPI)	<p>established by the ICAC Act to manage complaints about public administration with a view to—</p> <ul style="list-style-type: none"> • the identification of corruption, misconduct and maladministration in public administration; and • ensuring that complaints about public administration are dealt with by the most appropriate person or body. <p>The functions of OPI are:</p> <ul style="list-style-type: none"> • to receive and assess complaints about public administration from members of the public. • to receive and assess reports about corruption, misconduct and maladministration in public administration from inquiry agencies, public authorities and public officers. • to refer complaints and reports to inquiry agencies, public authorities and public officers or to determine to take no action in accordance with this section 17(1).
OPI Directions and Guidelines	<p>is a reference to the directions and guidelines issued by OPI pursuant to section 18B of the ICAC Act in relation to reporting matters of suspected corruption in public administration.</p>
Public administration	<p>as per section 4(1) of the ICAC Act - an administrative act carried out in the course of public administration.</p> <p>An administrative act is as per the definition in the <i>Ombudsman Act 1972</i> and means:</p> <ul style="list-style-type: none"> • an act relating to a matter of administration on the part of an agency to which this Act applies or a person engaged in the work of such an agency; or • an act done in the performance of functions conferred under a contract for services with the Crown or an agency to which this Act applies, • but does not include— • an act done in the discharge of a judicial authority; or • an act done by a person in the capacity of legal adviser to the Crown or an agency to which this Act applies; or • an act of a class declared by the regulations not to be an administrative act for the purposes of this definition.

Public administration information	means information that raises a potential issue of corruption, misconduct or maladministration in public administration.
PID Guidelines	is a reference to the Guidelines issued by the ICAC pursuant to section 14 of the PID Act.
Principal Officer	for the purposes of the PID Act means the General Manager of East Waste.
Public Officer	has the meaning given by section 4 and Schedule 1 of the ICAC Act and includes Directors and employees of East Waste.
Relevant Authority	means the person or entity that receives an appropriate Disclosure of public interest information in accordance with the PID Act.
Responsible Officer	is a person who has completed any training courses approved by the Commissioner for the purposes of the <i>Public Interest Disclosure Regulations 2019</i> and has been designated by the General Manager as the responsible officer under section 12 of the PID Act. Designated to undertake the duties as per section 13 of the PID Act.
Victimisation	As per section 9(1) of the PID Act, occurs when a person causes detriment to another on the ground, or substantially on the ground, that the other person (or a third person) has made or intends to make an appropriate Disclosure of public interest information. Refer to definition of 'detriment' in this table and section 9(7) of the PID Act.

6. Procedure

6.1 Appropriate Disclosures

- 6.1.1 The Act establishes a scheme to encourage and facilitate the Appropriate Disclosure of Public Administration Information to a Relevant Authority.
- 6.1.2 Subject to the provisions of the act, if a person makes an Appropriate Disclosure of Public Administration Information to a Relevant Authority, the person will not be subject to any liability as a result of that Disclosure and is entitled to have their identity kept confidential.
- 6.1.3 Immunity for an Appropriate Disclosure of Public Administration Information will be provided
- 6.1.4 A Public Officer makes an Appropriate Disclosure of Public Administration Information for the purposes of the Act if the Disclosure is made to a Relevant Authority and the Public Officer reasonably suspects that the information raises a potential issue of Corruption, Misconduct or Maladministration in Public Administration, as those terms are defined under the ICAC Act.
- 6.1.5 Whilst anyone can make a Disclosure of Public Administration Information, only Public Officers are eligible for the protections provided under the Act.

6.2. Relevant Contact Details

Appropriate Disclosures of Public Administration Information should generally, and wherever possible, be directed in the first instance to the Responsible Officer in person or via email or telephone using the details below:

Name	Kelly Vandermoer Vanessa Davidson
Telephone	(08) 8347 5111 – please ask to be directed to the Responsible Officer for Public Interest Disclosure
Email	PID@eastwaste.com
Address	CONFIDENTIAL Responsible Officer, Public Interest Disclosure East Waste 1 Temple Court OTTOWAY SA 5013

6.3. Receipt and Assessment

- 6.3.1 If the Disclosure relates to Public Administration Information, encourage the Informant to make the Disclosure directly to OPI (www.icac.sa.gov.au).
- 6.3.2 If an employee or Director of East Waste is the Recipient of a Disclosure of Public Interest Information, they will
- determine whether the disclosure raises matters that are within East Waste’s scope of authority, including if the information relates to an officer, employee or Board Member of East Waste.
 - ask the Informant whether they consent to the details of their identity being provided to the Responsible Officer, and in doing so advise the Informant that a failure to provide that consent may mean that the Disclosure cannot be properly investigated.
 - refer the Disclosure to the Responsible Officer and, in doing so, comply with the wishes of the Informant with respect to whether details of their identity may be divulged.
- 6.3.3 Upon the receipt of a Disclosure (whether directly, or by referral from the Recipient), the Responsible Officer will:
- where the identity of the Informant is known to the Responsible Officer or is reasonably ascertainable, the Responsible Officer will send a confirmation of receipt of the Disclosure within three (3) business days of receipt, and in doing so, will provide a copy of this Procedure to the Informant.

- determine if it justifies the taking of further action, or relates to a matter that has already been investigated or acted upon by a relevant authority (whether by East Waste or other relevant authority) and there is no reason to re-examine the matter, or there is other good reason why action should not be taken in respect of the matter.

6.3.4 In giving effect to the above, consideration must be carefully given as to whether the identity of the Informant is required to be disclosed, noting that section 8 of the Act requires that the identity of an Informant is to be kept confidential, except so far as may be necessary to ensure that the matters to which the information relates are properly investigated.

6.4. Assessment of Appropriate Disclosure

Upon receipt of a Disclosure, the Responsible Officer will undertake a preliminary assessment to determine the below and what (if any) actions need to be taken:

- 6.4.1 If the matter/s the subject of the Disclosure result in the Responsible Officer forming a reasonable suspicion that they involve corruption in public administration, or misconduct or maladministration in public administration; the Responsible Officer must comply with their reporting obligations under the ICAC Act in accordance with the OPI Directions and Guidelines and reporting expectations under the Ombudsman Act in accordance with the Ombudsman Directions and Guidelines.
- 6.4.2 If the Responsible Officer determines the Disclosure warrants referral to an external body or another Relevant Authority, the Responsible Officer will undertake the referral, including ensuring that such information as is necessary to enable action to be taken is communicated to the most appropriate person or relevant authority to take that action.
- 6.4.3 If the Disclosure is frivolous, vexatious or trivial, the Responsible Officer may determine no further action will be taken in relation to the Disclosure.
- 6.4.4 If the information disclosed involves a matter which has already been investigated or acted upon by a Relevant Authority and there is no reason to re-examine the matter or there is other good reason why no action should be taken in respect of the matter, the Responsible Officer can determine no further action will be taken in relation to the Disclosure.
- 6.4.5 If the Recipient of the Public Interest Disclosure forms a reasonable suspicion that the matter(s) involves corruption in public administration, or serious systemic misconduct or maladministration, the Recipient of the Disclosure must also comply with their reporting obligations under the ICAC Act.
- 6.4.6 The Recipient of a Public Interest Disclosure, must notify the Informant (if their identity is known) within thirty (30) days that:
- an assessment of the information has been made;
 - any action that has been, or will be, taken in relation to the Disclosure; or
 - if no action is being taken in relation to the Disclosure, the reason/s why.

- 6.4.7 If the Responsible Officer fails to notify the Informant in accordance with the above, the Informant may be entitled to protection in relation to any subsequent Disclosure of that information to a journalist or member of Parliament in accordance with the PID Act.
- 6.4.8 If the Informant is dissatisfied with the Responsible Officer's determination, it is open to them to report the Disclosure to another Relevant Authority external to East Waste.

6.5. Notifying the OPI

- 6.5.1 Following receipt, and assessment, of a Public Interest Disclosure, irrespective of whether the Relevant Authority at East Waste responsible for the Disclosure determines that further action is or is not required, the Recipient of the Public Interest Disclosure must notify the OPI as soon as reasonably practicable that they are in receipt of a Public Interest Disclosure.
- 6.5.2 Notification is to occur by way of the notification form on the ICAC website (www.icac.sa.gov.au) and must include the following information:
- a) The date the Disclosure was received.
 - b) The name and contact details of the Recipient of the Disclosure (being the Relevant Authority with East Waste who initially received the Disclosure).
 - c) A summary of the content of the Disclosure.
 - d) The assessment made of the Disclosure.
 - e) The action taken by the Recipient of the Disclosure, including:
 - whether the disclosure was referred to another Relevant Authority (including to a Responsible Officer or the General Manager), public authority, public officer or another person.
 - if the Disclosure was referred to a Relevant Authority, public authority, public officer or another person:
 - the date of the referral.
 - the identity of that Relevant Authority, public authority, public officer or another person.
 - the manner of the referral.
 - the action to be taken by that Relevant Authority, public authority or public officer or another person (if known).
- 6.5.3 Whether the identity of the Informant is known only to the Recipient of the Disclosure, or if the identity of the Informant has been communicated to another Relevant Authority, public authority, public officer or other person (and if so, the reasons why).
- 6.5.4 If no action was taken by the Recipient of the Disclosure, the reasons why.
- 6.5.5 The Recipient of the Disclosure must retain the unique reference number issued by the OPI upon making a notification and must provide this to any other person or authority to whom the disclosure is referred.

6.6. Action Taken on a Disclosure

- 6.6.1 Informants who make an Appropriate Disclosure of Public Administration Information must provide sufficient detail and evidence for the matter to be assessed.
- 6.6.2 If the Relevant Authority determines that there is not sufficient evidence to facilitate an assessment of a Disclosure of Public Interest Information, no action can be taken on the Disclosure, and the Informant and OPI will be advised accordingly.
- 6.6.3 Relevant Authorities with East Waste will not be responsible for investigating Disclosures of Public Administration Information (being information that raises a potential issue of Corruption, Misconduct or Maladministration in Public Administration) in the absence of a direction to do so from the Manager OPI or the ICAC.
- 6.6.4 When directed by the Manager OPI or the ICAC to investigate Appropriate Disclosures of Public Administration Information, the objectives of the investigation process are:
- in appropriate circumstances, to investigate the substance of the Disclosure and to determine whether there is evidence in support of the matters raised or, alternatively, to refute the report made.
 - to collate information relating to the allegation as quickly as possible. This may involve taking steps to protect or preserve documents, materials and equipment.
 - to consider the information collected and to draw conclusions objectively and impartially.
 - to observe procedural fairness in the treatment of any person who is subject of the Disclosure.
 - to make recommendations arising from the conclusions drawn concerning remedial or other appropriate action.
- 6.6.5 Where the Responsible Officer determines, following a Preliminary Assessment, that a Disclosure warrants referral to an Independent Assessor for a formal investigation and report to the East Waste Board, the Responsible Officer will appoint an Independent Assessor in accordance with this Part to investigate the Disclosure.
- 6.6.6 The Independent Assessor will observe the principles of natural justice throughout the investigation process. The investigation will be conducted in an efficient manner and will involve a thorough and balanced assessment of the available evidence and any other factors deemed relevant to making a fair and reasonable judgement about the matter.
- 6.6.7 If a Relevant Authority with East Waste takes action in response to the receipt of a Public Interest Information Disclosure (which does not consist of a referral), the Relevant Authority with East Waste responsible for the management of the disclosure, must, as soon as reasonably practicable, provide the OPI with information in relation to the outcome of the action taken by way of the online notification form (www.icac.sa.gov.au) detailing:

- the unique identification number issued by the OPI upon notification of the original disclosure.
- the name and contact details of the Notifier.
- the name and contact details of the person or authority responsible for taking the action.
- what (if any) findings were made in respect of the Disclosure.
- the nature of the action taken (if any).
- the outcome of the action taken (if any).
- whether the identity of the informant was disclosed to a person other than the original recipient of the disclosure.
- whether the informant was notified of the action taken and, if so, when that notification was made.

6.7. Confidentiality

- 6.7.1 In accordance with section 8 of the Act, it is a criminal offence for the identity of an Informant to be disclosed in the absence of their consent unless it is necessary to divulge the identity of the informant to ensure that the matters to which the information relates are properly investigated; or
- 6.7.2 The Recipient believes on reasonable grounds that it is necessary to divulge the identity of the Informant to prevent or lessen an imminent risk of serious harm to any person; and the identity of the Informant is divulged to a person or authority that the recipient believes on reasonable grounds is the most appropriate authority or person to be able to take action to prevent or minimise the imminent risk of serious harm; or
- 6.7.3 The Recipient has been issued with a notice from the OPI advising that the identity of the Informant is required by the OPI, in which case the Recipient may disclose the identity of the informant to the OPI.
- 6.7.4 The details of the Public Interest Disclosure and its assessment will be securely stored in confidential electronic and hard copy files by East Waste and will only be accessible by the Recipient, or another Relevant Authority of East Waste, involved in the assessment and management of the disclosure.
- 6.7.5 The Responsible Officer(s) of East Waste are required to ensure, so far as reasonably practicable, that all information in relation to Public Interest Disclosures are received and maintained in a confidential manner.
- 6.7.6 In giving effect to this responsibility, a Responsible Officer may employ security measures including, but not limited to:
- keeping all printed material in secure files that are clearly marked as “CONFIDENTIAL”, and which warn of the criminal penalties that apply to any unauthorised access, use or divulging of information concerning a public interest disclosure.
 - keeping all printed material in a locked cabinet that is only accessible to by Relevant Authority at East Waste who is responsible for the management of the assessment and/or action of the Disclosure.

- assigning specific password protections to all electronic material, which are provided to only the Relevant Authority at East Waste who is responsible for the management of the assessment and/or action of the Disclosure.
- ensuring that all electronic material is only accessible by the Relevant Authority at East Waste who is responsible for the management of the assessment and / or action of the Disclosure.
- conducting all telephone calls and meetings in relation to a Public Interest Disclosure privately and in the strictest of confidence.

6.8. Subject of a Public Interest Disclosure

6.8.1 In accordance with section 12 of the Act, the General Manager must ensure there are risk management steps for assessing and minimising:

- detrimental action against people because of the Public Interest Disclosure.
- detriment against whom allegations are made in a Disclosure, the Subject of a Disclosure.

6.8.2 East Waste commits to providing the same protections to the Subject of a Disclosure, and those people, as to Informants, which will include, but not necessarily be limited to:

- keeping the identity of the Informant, the Subject of the Disclosure, and the people, confidential.
- flexibility as to when meetings are held, if and when necessary.
- the opportunity to make reasonable requests in relation to how and when the Relevant Authority of East Waste, responsible for the management of the Disclosure, makes contact with them, to minimise the potential for the person (being either the Informant, the Subject of the Disclosure, or the people) to be subject to Detriment.

10. Review

This Procedure will be reviewed on a four yearly basis, unless legislative change triggers an earlier review date.

Signed _____
General Manager

Date

11 Document History

Version No:	Issue Date:	Description of Change:
1.0	April 2026	New Document, April 2026

Draft

Appendix A : Relevant Authorities

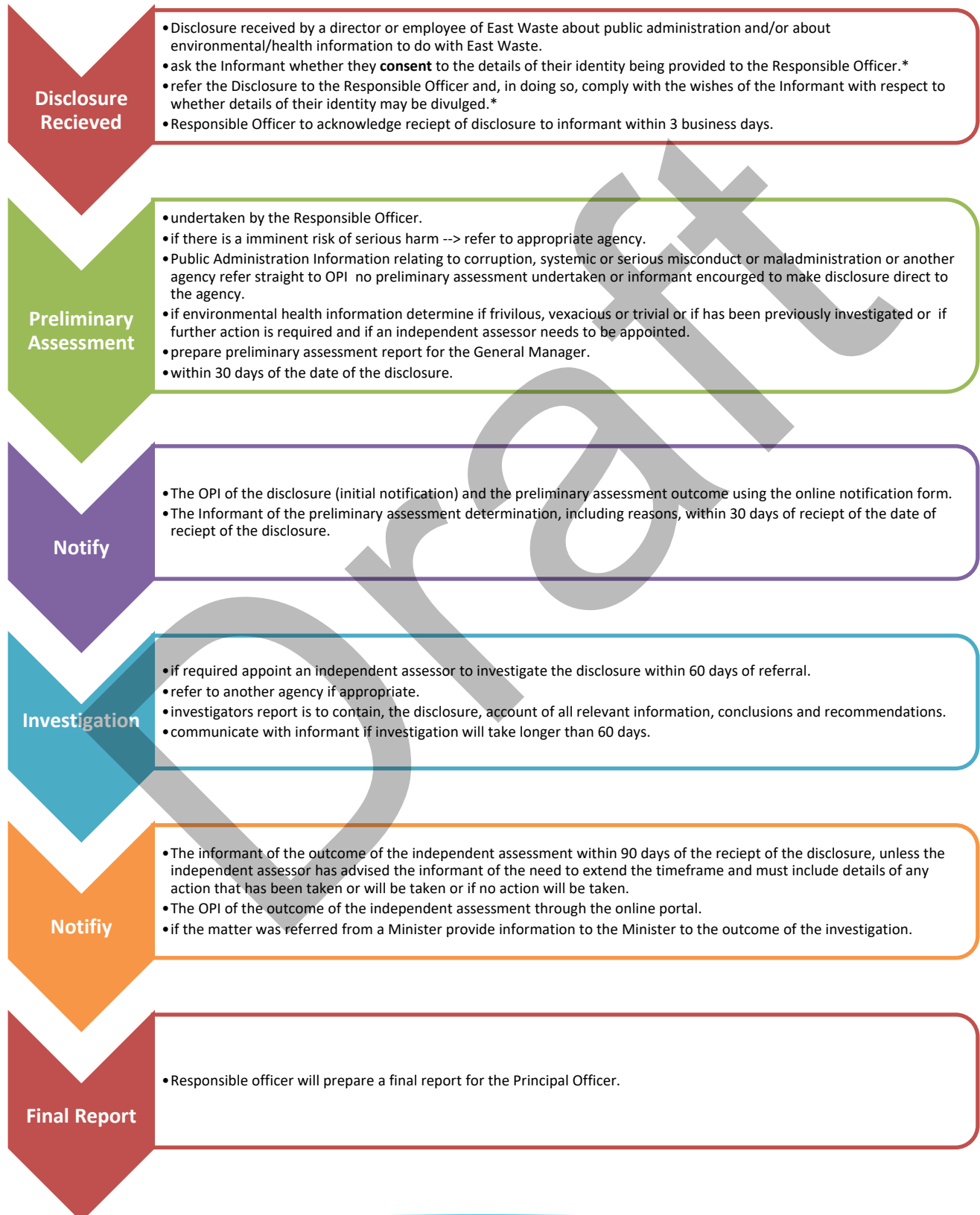
Where the information relates to...	the relevant authority is...
<p>a public officer*</p> <p><small>*as defined and set out in Schedule 1 of the <i>Independent Commissioner Against Corruption Act 2012</i> - relevantly, this includes council members, officers and employees of local government bodies</small></p>	<p>either:</p> <p>the person who is designated by the Guidelines as being taken to be responsible for management or supervision of the public officer; or</p> <p>the person who is in fact responsible for the management or supervision of the public officer; or</p> <p>the relevant responsible officer (as designated by East Waste in accordance with section 12 of the PID Act)</p>
a public sector agency or public sector employee	<p>either:</p> <p>the Commissioner for Public Sector Employment; or</p> <p>the responsible officer for the relevant public sector agency</p>
an agency to which the <i>Ombudsman Act 1972</i> applies	the Ombudsman
a location within the area of a particular council established under the <i>Local Government Act 1999</i>	a member, officer or employee of that Council
a risk to the environment	the Environment Protection Authority
an irregular and unauthorised use of public money or substantial	the Auditor-General
the commission, or suspected commission, of any offence	a member of the police force
a judicial officer	the Judicial Conduct Commissioner
a member of Parliament	the Presiding Officer of the House of Parliament to which the member belongs
a person or a matter of a prescribed class ¹	an authority declared by the regulations to be a relevant authority in relation to such information

¹ presently, no prescribed persons or classes have been identified

Where the information relates to...	the relevant authority is...
<p>public interest information - being:</p> <p>environmental and health information (information that raises a potential issue of a substantial risk to the environment or to the health or safety of the public generally or a significant section of the public); or</p> <p>public administration information (information that raises a potential issue of corruption, misconduct or maladministration in public administration)</p>	<p>the OPI;</p> <p>a Minister of the Crown; or</p> <p>any other prescribed person or person of a prescribed class</p>

Draft

Appendix B Notification Process Flowchart



9.7 Draft Fraud and Corruption Prevention Policy

Report Author:	Executive Administration Officer
Responsible Officer:	Acting Manager Business Services
Attachments	A: Draft Fraud and Corruption Prevention Policy

Purpose and Context

The draft Fraud and Corruption Management Policy reflects East Waste’s position on how it manages its responsibilities within the South Australian legislative framework for reporting of Fraud and Corruption to the three different bodies being the Independent Commission Against Corruption (ICAC), the Office of Public Integrity (OPI) and the Ombudsman SA who manage the State's Framework.

The draft Fraud and Corruption Prevention Policy is presented to the Audit & Risk Management Committee for consideration and comment.

Recommendation/s of the Audit & Risk Management Committee

Due to the lateness of the hour Committee Members emailed their individual feedback to the Administration. The Audit & Risk Management Committee supported the content of the Draft Fraud and Corruption Prevention Policy.

Recommendation/s of the Administration

That the East Waste Board having considered the content of the draft Fraud and Corruption Prevention Policy:

- 1. Provide the following feedback**
- 2. Adopt the draft Fraud and Corruption Management Policy Attachment A, Item 9.7, East Waste Board Meeting, 30 April 2026), and recommend to the East Waste Board that the Policy be adopted.**
- 3. Authorise the Administration to make changes of a minor technical or formatting nature to the Fraud and Corruption Prevention Policy.**

Strategic Link

Objective 5. Provide Leadership

Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

This report presents the draft Fraud and Corruption Prevention Policy (Policy) for the Audit & Risk Management Committee’s consideration and endorsement, before presentation to the East Waste Board.

The purpose of the policy is to formalise East Waste's commitment to integrity, transparency, and accountability in managing public resources. It establishes East Waste's framework for the prevention, detection, and reporting of fraud, corruption, maladministration, and other integrity breaches within the organisation.

Discussion

Fraud and corruption pose significant financial, reputational, and governance risks to East Waste. As a regional subsidiary established under the *Local Government Act 1999*, East Waste has an obligation to maintain sound internal control systems and uphold the ethical standards expected of South Australian local government entities.

The draft Policy supports good governance by:

- Preventing and minimising opportunities for fraudulent or corrupt conduct.
- Promoting early detection and reporting of unethical behaviour.
- Reinforcing accountability across all East Waste operations and relationships.

This Policy complements East Waste's existing governance framework and aligns with legislative and regulatory obligations, including the:

- *Local Government Act 1999*.
- *Local Government (Financial Management) Regulations 2011*.
- *Independent Commission Against Corruption Act 2012*.
- *Public Interest Disclosure Act 2018*.
- *Ombudsman Act 1972*.

The draft Policy confirms East Waste's zero-tolerance stance toward fraud and corruption. It applies to all employees, Board Members, members of Board Committees, contractors and consultants.

Adopting this Policy directly mitigates key organisational risks, including, but not limited to:

- Misuse or theft of funds and assets.
- Non-compliance with the *Local Government Act 1999* internal control requirements.

The Policy aligns with the principles of honesty, integrity, and accountability embedded in East Waste's Charter and strategic governance framework.

The draft Policy has been reviewed by the Executive Leadership Team and is presented to the Audit & Risk Management Committee feedback and endorsement.

On adoption by the East Waste Board the Policy will be communicated to all staff, contractors, Board Members, and Independent Members and supported by training and regular compliance monitoring.

Fraud and Corruption Prevention Policy

1. Purpose

- 1.1. Eastern Waste Management Authority (trading as East Waste) is committed to acting honestly, transparently, with integrity and in the best interests of the community. East Waste is the custodian of significant public funds and assets and recognises that fraud and corruption have the potential to cause significant financial loss and reputational damage.
- 1.2. East Waste has zero tolerance towards all forms of fraud and corruption and is committed to the prevention, detection, reporting and investigation of fraud, corruption, maladministration and misconduct.
- 1.3. This policy is designed to protect public funds, assets and the integrity and reputation of Council by outlining Council's approach to the prevention, identification and control of fraudulent and/or corrupt activity.

2. Legislative framework

- 2.1. This Policy supports the provisions of the *Local Government Act 1999* (the Act) and associated legislation and applies to all disclosures that relate to the actual or suspected occurrence of Fraud and/or Corruption within East Waste.
- 2.2. This Policy applies to all public officers as provided in Schedule 1 of the *Independent Commissioner Against Corruption Act 2012* including directors, independent members of an East Waste Board Committee, employees and contractors.
- 2.3. Any breach of this Policy that would be considered to be 'misconduct' or 'maladministration' will be considered to be a breach of the relevant Code of Conduct, Behavioural Standards or Management Protocol and may incur disciplinary action in accordance with those documents.
- 2.4. Any breach of this Policy that would be considered to be corruption, serious or systemic misconduct or maladministration must be referred to the Office of Public Integrity (OPI). This may incur action from the Independent Commission Against Corruption (ICAC) or any other authorised agency of the ICAC.

3. Definitions

Throughout this Policy, the below terms have been used and are defined as:

Corruption: in public administration means conduct that constitutes:

- (a) an offence against Part 7 Division 4 (offences relating to public officers) of the *Criminal Law Consolidation Act 1935*, which includes the following offences:
 - i. bribery or corruption of public officers.
 - ii. threats or reprisals against public officers.
 - iii. abuse of public office.
 - iv. demanding or requiring benefit on basis of public office.
 - v. offences relating to appointment to public office.
- (b) an offence against the *Public Sector (Honesty and Accountability) Act 1995* or the *Public Corporations Act 1993*, or an attempt to commit such an offence; or
- (c) an offence against the *Lobbyist Act 2015*, or an attempt to commit such an offence; or
- (d) any offence (including an offence against Part 5 offences of dishonesty of the *Criminal Law Consolidation Act 1935* committed by a public officer while acting in their capacity as a public officer or by a former public officer and related to their former capacity as a public officer, or by a person before becoming a public officer and related to their capacity as a public officer, or an attempt to commit such an offence; or
- (e) any of the following in relation to an offence referred to in a preceding paragraph:
 - i. aiding, abetting, counselling or procuring the commission of the offence.
 - ii. inducing, whether by threats or promises or otherwise, the commission of the offence.
 - iii. being in any way, directly or indirectly, knowingly concerned in, or party to, the commission of the offence.

Directions and Guidelines: means the Directions and Guidelines prepared by Director of the Office of Public Integrity or by the South Australian Ombudsman.

False Disclosure: is a disclosure of information relating to Fraud or Corruption, Maladministration or Misconduct that is made by a person who knows the information to be false or misleading.

Fraud: includes an intentional dishonest act or omission done with the purpose of deceiving. Examples of fraud include, but are not limited to:

- i. theft of assets
- ii. unauthorised or illegal use of assets, information or services for private purposes
- iii. misappropriation of funds
- iv. intentional falsification, concealment, omission, manipulation, destruction or improper use of records, documents or information
- v. acts of deception
- vi. charging for non-delivery or incomplete delivery of services or goods
- vii. intentional evasion of payments due to East Waste
- viii. substituting new goods with old
- ix. using significant time at work for private purposes
- x. taking unrecorded leave.

Note: There is no statutory or agreed common law definition of fraud. Offences addressed under Part 5 and Part 6 of the *Criminal Law Consolidation Act 1935* are considered to constitute fraud offences. An ordinary or lay meaning of fraud is 'to obtain dishonestly that which the person is not entitled to'. Fraud is a broad label applicable to conduct / practices that involve knowingly dishonest or deceitful behaviour meant to obtain an unjust benefit. Dishonesty is the key element in fraudulent behaviour, as provided for under section 131 of the *Criminal Law Consolidation Act 1935*.

ICAC Act: is the *Independent Commission Against Corruption Act 2012*.

Maladministration in public administration: is defined in section 4(2) of the *Ombudsman Act 1972* and means:

- (a) (i) conduct of a Public Officer, or a practice, policy or procedure of a public authority, that results in an irregular and unauthorised use of public money or substantial mismanagement of public resources; or
(ii) conduct of a Public Officer involving substantial mismanagement in or in relation to the performance of official functions; and
- (b) includes conduct resulting from impropriety, incompetence or negligence; and (c) is to be assessed having regard to relevant statutory provisions and administrative instructions and directions.

Office for Public Integrity (OPI): is the office established under the ICAC Act that has the function to:

- handle complaints about public administration from members of the public.
- handle reports about corruption, misconduct and maladministration in public administration from public officers and authorities.
- refer complaints and reports to inquiry agencies, public authorities or public officers for further investigation or action when needed, such as:

- Ombudsman SA
- the Independent Commission Against Corruption
- Judicial Conduct Commissioner.

PID Act: means the *Public Interest Disclosure Act 2018*.

Public administration: is defined at section 4 of the ICAC Act and, without limiting the acts that may comprise public administration, an administrative act within the meaning of the *Ombudsman Act 1972* will be taken to be carried out in the course of public administration. For the purposes of this Policy, references to Corruption, Misconduct and Maladministration are taken to mean references to such conduct in public administration.

Public Officer: has the meaning given under Schedule 1 of the ICAC Act, and includes:

- a Director; and an Independent Member of a Board Committee.
- an Employee or Contractor of East Waste.

Publish: is defined in section 4 of the ICAC Act, and means publish by: newspaper, radio or television; internet or other electronic means of creating and sharing content with the public or participating social networking with the public; or any similar means of communication with the public.

Relevant Authority: for the purposes of the PID Act means the person or entity that receives an appropriate disclosure of public interest information in accordance with the PID Act.

Responsible Officer: is a person who has completed any training courses approved by the Commissioner for the purposes of the *Public Interest Disclosure Regulations 2019* and has been designated by the General Manager as a responsible officer under section 12 of the PID Act.

4. Policy statement

- 4.1. East Waste recognises the occurrence of fraud, corruption, misconduct and maladministration can occur across any area of the business. The most effective way to prevent the occurrence of fraud, corruption, misconduct and maladministration is to instil and continually reinforce a culture across East Waste of acting lawfully, ethically, transparently and in a socially responsible manner, and to support this culture with the implementation of appropriate internal controls.
- 4.2. East Waste has implemented a range of controls to minimise fraudulent and/or corrupt activity including:
 - Establishing a suite of policies that assist in prevention.
 - Induction and training of employees, directors and contractors.
 - An external audit plan reported to the Audit and Risk Management Committee.
 - Internal audit plan and internal controls reported to the Audit and Risk Management Committee.

- Internal financial controls.
- Segregation of duties for high-risk roles, wherever possible.
- Maintaining a gifts and benefits register for all public officers.
- Maintaining a conflict of interest register and reporting provisions.
- Maintaining qualified and trained employees to manage and conduct investigation.
- Fraud is identified and regularly reviewed in risk assessments including incorporated into Council's corporate and strategic risk registers.

5. Roles and Responsibilities

East Waste expects all public officers will assist in facilitating a sound ethical culture and preventing fraud, corruption, misconduct and maladministration.

5.1. General Manager

- Provide adequate resources, training, delegations and security for the prevention and detection, reporting and management of fraud and corruption.
- Ensure an adequate framework is in place for the prevention and management of fraud and corruption.
- Ensure timely reporting of fraud and corruption issues.
- Promote a workplace culture and environment where fraud and corruption are actively discouraged and is readily reported should it occur.

Report any suspected fraud, corruption, misconduct or maladministration in accordance with section 7 of this Policy.

- Appoint Responsible Officer/s to manage the review and management of any reporting or fraud and corruption.

5.2. Managers

- Are responsible and accountable for the conduct of employees, whom they supervise.
- Are responsible for taking care of East Waste's assets within their portfolio.
- Remain scrupulous in their use of the East Waste's information, assets, funds, property, goods or services.
- Ensure that new employees, for whom they are responsible, undertake training and are aware of their responsibilities in relation to fraud and corruption.
- Creating an environment in which fraud and corruption is discouraged and readily reported by employees.
- Report any suspected fraud, corruption, misconduct or maladministration in accordance with section 7 of this policy.

5.3. Employees

- Perform duties professionally with care, diligence, honesty and integrity.
- Familiarise themselves with and adhere to East Waste's Policy, protocols and procedures established to prevent fraud and corruption.
- Take care of East Waste's property and avoiding waste or misuse.
- Remain scrupulous in their use of East Waste's information, assets, funds, property, goods or services.
- Report any suspected fraud, corruption, misconduct or maladministration in accordance with section 7 of this policy.

5.4. Directors and Independent Members of Board Committees

- Report any suspected fraud or corruption in accordance with Clause 7 of this policy.

5.5. Audit and Risk Management Committee

- Provide guidance and report to the East Waste Board regarding effectiveness of fraud, corruption, misconduct and maladministration policies, procedures, frameworks and controls.

5.6. Contractors

- Acknowledge and agree that by entering into a contract with East Waste that they will be considered a Public Officer for the purpose of the *Independent Commission Against Corruption Act 2012* and they are obliged to comply with the Act, associated Directions and Guidelines and East Waste Policies and Procedures.

6. Education and Awareness

6.1. East Waste recognises that the success of this Policy will largely depend upon how effectively it is communicated. This will be achieved through:

- Fraud and corruption awareness training and induction for all public officers including employees, Directors and contractors.
- Tailored Leadership Team training on fraud, corruption, misconduct and maladministration awareness, prevention and reporting.

6.2. East Waste will further ensure that the wider community is aware of East Waste's zero-tolerance stance towards fraud, corruption, misconduct and maladministration, including by:

- Making this Policy publicly available on East Waste's website.
- Referencing this Policy in related policies.
- Inclusion in the Conditions of Tender and Conditions of Contract.

7. Reporting

- 7.1. Public officers are encouraged to have regard to East Waste's Public Interest Disclosure Procedure when determining where to direct a disclosure.
- 7.2. A public officer must report to the OPI as soon as practicable after they form a reasonable suspicion any matter that they reasonably suspect involves corruption.
- 7.3. A public officer may report to the OPI or Ombudsman SA any matter that the public officer reasonably suspects involves misconduct or maladministration.
- 7.4. The Ombudsman expects that public officers and public authorities will report to Ombudsman SA any matter that the public officer or public authority reasonably suspects involves misconduct in public administration (as defined in section 4(1) of the Ombudsman Act) unless the public officer or public authority knows that the conduct has already been reported to Ombudsman SA or the OPI (or otherwise come to the attention of either).
- 7.5. A public officer or a public authority may report to Ombudsman SA any other matter that involves potential maladministration.

8. Confidentiality and Publication Prohibitions

- 8.1. A person who receives information knowing that it is connected with a matter that forms, or is, the subject of a complaint, report, assessment, investigation, referral or evaluation under the ICAC Act must not disclose that information, other than in the limited circumstances set out in section 54(3) of the ICAC Act. A failure to comply with the requirements in this part can constitute an offence.
- 8.2. A person must not, other than as authorised by the Commissioner or a court, publish or cause to be published any of the following:
 - information tending to suggest that a particular person is, has been, may be, or may have been, the subject of a complaint, report, assessment, investigation or referral under the ICAC Act.
 - information that might enable a person who has made a complaint or report under the ICAC Act to be identified or located.
 - the fact that a person has made or may be about to make a complaint or report under the ICAC Act.
 - information that might enable a person who has given or may be about to give information or other evidence under the ICAC Act to be identified or located.
 - the fact that a person has given or may be about to give information or other evidence under this Act; or
 - any other information or evidence which the Commissioner has prohibited from publication.

9. Action by the General Manager

- 9.1. Unless otherwise directed by OPI or SAPOL, the General Manager will ensure an investigation is undertaken into any alleged corruption, fraud, misconduct or maladministration to determine the cause of any control failure. The investigation will be commenced as soon as practicable following the alleged incident. The General Manager will also consider, and where appropriate implement, any recommended changes to policies, protocols, procedures or internal controls.

10. False Disclosure

- 10.1. A person who knowingly makes a false disclosure or a false or misleading statement in a complaint or report will be guilty of an offence under the ICAC Act and the PID Act.
- 10.2. Employees who fail to comply with these requirements may also face disciplinary action in accordance with the Behavioural Standards Policy.

11. Legislation

- *Criminal Law Consolidation Act 1935*
- *Independent Commissioner Against Corruption Act 2012*
- *Local Government Act 1999*
- *Ombudsman Act 1972*
- *Planning, Development and Infrastructure Act 2016*
- *Public Interest Disclosure Act 2018*
- *Public Interest Disclosure Regulations 2019.*

12. Related Documents

- Behavioural Standards Policy
- Complaints Handling Policy
- Internal Financial Controls Framework
- Procurement Policy
- Public Interest Disclosure Procedure
- Risk Management Policy.

13. Review

This Policy will be reviewed on a four yearly basis, unless legislative change triggers an earlier review date.

Signed _____
General Manager

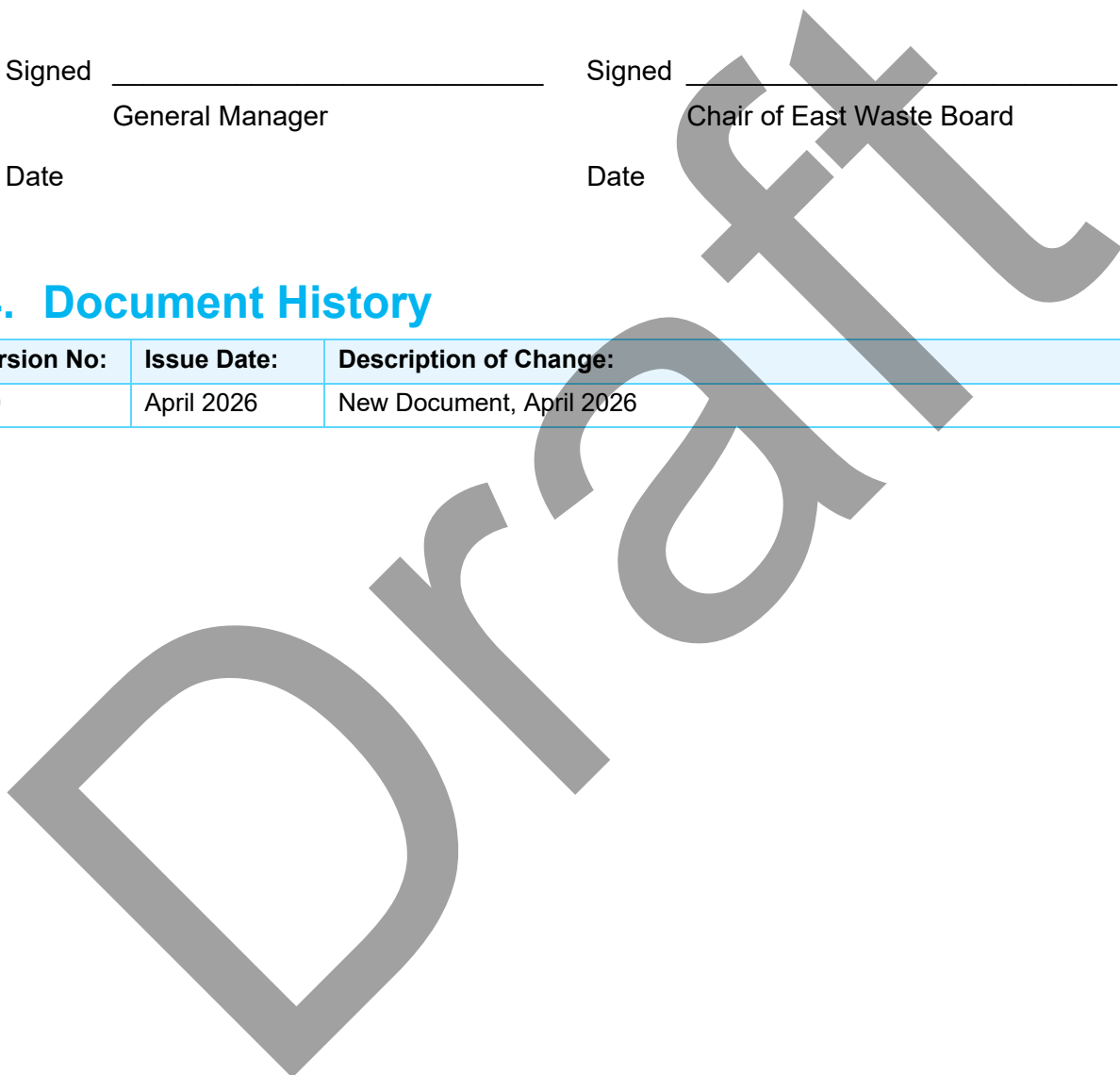
Signed _____
Chair of East Waste Board

Date

Date

14. Document History

Version No:	Issue Date:	Description of Change:
1.0	April 2026	New Document, April 2026



9.8 Information Report

Report Author	Executive Administration Assistant – Independent Consultant
Attachments	A: Unconfirmed Minutes of the Audit & Risk Management Committee B: East Waste Contract Register C: Outstanding Resolutions Register D: Annual Plan Progress Report E: Annual Reporting Calendar

Purpose and Context

The Information Report presents updates on standing items and other items that are relevant to the business of the East Waste Board. The matters have been listed in one report as an efficiency as Administration recommend that the East Waste Board receives and notes the information contained within the report. This does not limit the ability of the Board to remove a specific item from this report and resolve that a particular action be taken.

Recommendation

That the East Waste Board receives and notes the Information Report as at 30 April 2026.

Strategic Link

Objective 5. Provide Leadership

Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

The Information Report is a Standing Item that presents information that the Administration recommend that the East Waste Board receive and note.

Discussion

The following items are presented for the information of the East Waste Board:

- 1. Unconfirmed Minutes of the Audit & Risk Management Committee Meeting held 22 April 2026**

Clause 31 of the Eastern Waste Management Authority Charter requires the Authority to establish an Audit Committee which is to be governed by the provisions of Schedule 2, Clause 30 of the *Local Government Act 1999* (Act).

The functions of the Audit & Risk Management Committee are to include:

- (a) reviewing annual financial statements to ensure that they provide a timely and fair view of the state of affairs of the subsidiary; and
- (b) liaising with external auditors; and
- (c) reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the subsidiary on a regular basis.

The (unconfirmed) Minutes of the East Waste Audit & Risk Management Committee Meeting of 22 April 2026 are included at **Attachment A** of this report for the Board's information and consideration.

2. East Waste Contract Register

A copy of the current East Waste Contract Register as been included in this report (**refer Attachment B**).

3. Outstanding Resolutions Register

The presentation of the Outstanding Resolutions Register to the East Waste Board is considered a good governance practice. The Outstanding Resolutions Register (**refer Attachment C**) depicts the status of past resolutions of the Board for the period to 23 April 2026.

At this time, as indicated on the attached Register, activities associated with four resolutions remain ongoing, with the status noted in the far right column.

Three resolutions have been updated to 'complete' with comments included in the far right column.

4. Annual Plan Progress Report

This report provides the East Waste Board with an update on the implementation of the activities endorsed in the East Waste 2025/26 Annual Plan.

The attached matrix (**refer Attachment D**) provides a snapshot update as to the progress of the Annual Plan activities as of 23 April 2026.

5. Annual Reporting Calendar

This report provides the Board with an update of the progress of East Waste's key reporting requirements via the Annual Reporting Calendar.

The attached Annual Reporting Calendar (**refer Attachment E**) provides a snapshot update of the progress of East Waste's key legislative and governance reporting requirements for the 2026 calendar year.

This is a standing item on the Agenda.



**Eastern Waste Management Authority
Ordinary Audit & Risk Management Committee**

Minutes

Wednesday 22 April 2026

Minutes

Eastern Waste Management Authority Ordinary Meeting of the Audit & Risk Management Committee

Meeting to be held on Wednesday 22 April 2026 commencing at 4.00 pm,
HenderCare, Level 4/81 Flinders Street, Adelaide.

Welcome

The Chair, Mrs E Hinchey, declared that a quorum was present and opened the meeting open at 3.58 pm.

1. Acknowledgement of country

2. Present

Directors:

Mrs E Hinchey	Independent Chairperson
Mr F Bell	East Waste Board Representative
Ms L Green	Independent Member
Ms N Caon	Independent Member

In Attendance:

Mr L Leyland	General Manager
Ms K Vandermoer	Acting Manager Business Services
Mr A Velloor	Finance Business Partner
Ms V Davidson	Executive Administration Officer; Independent Consultant
Ms C Garrett	UHY Haines Norton (via MS Teams) (<i>entered at 4.04 pm</i>)
Ms K Peake	UHY Haines Norton
Mr T Muhlhausler	Galpins (<i>entered at 4.23 pm</i>)

Observer: Mr A Wiguna (East Waste Board Director)

3. Apologies

Nil.

4. Disclosures of interest

Nil.

5. Confirmation of the minutes

Moved Ms N Caon that the Minutes of the East Waste Audit and Risk Management Committee meeting held on 18 February 2026 be confirmed as a true and correct record.

Seconded: Ms L Green

Carried

The Chair sought and was granted leave of the meeting to bring forward Item 9.4 General Manager's Update.

9.4 General Manager's Update

The General Manager provided the Audit & Risk Management Committee with an overview of organisational performance, strategic priorities, key risks, and emerging opportunities. The report is intended to support informed decision-making, ensure appropriate governance oversight, and align management activities with East Waste's strategic direction.

Motion

Moved Mr F Bell that the Audit & Risk Management Committee:

1. Receives and notes the General Manager's Report as presented on 22 April 2026.
2. Provides the following feedback for the consideration of the Administration:
 - a. Present a report to the Committee and East Waste Board to seek endorsement of a minimum cash holding position.
 - b. Ensure current insurance will cover fires caused by lithium batteries.

Seconded: Ms L Green

Carried

Ms C Garrett entered the meeting at 4.04 pm.

Mr T Muhlhausler entered the meeting at 4.23 pm.

The Chair sought and was granted leave of the meeting to bring forward Item 9.3

9.3 External Interim Audit Report FY2026

The Audit & Risk Management Committee was provided with an opportunity to review the results of the FY2026 Interim Audit conducted by external auditing firm Galpins.

Motion

Moved Mr F Bell that the Audit & Risk Management Committee notes and receives the FY2026 Interim Audit Management Letter (*Attachment B, Item 9.3, Audit & Risk Management Committee Meeting, 22 April 2026*).

Seconded: Ms L Green

Carried

Mr T Muhlhausler left the meeting at 4.45 pm.

Matters arising from the minutes

6.1 Adjourned Business from 18 February 2026 – Item 9.4 - Internal Audit Result – Payroll (Secondary Review)

Original Motion

That the Audit & Risk Management Committee receives and notes the Payroll Internal Audit Report prepared by UHY Haines Norton, as presented in Attachment A - 'UHY Haines Norton Internal Audit Report' (Item 9.4, Audit & Risk Management Committee Meeting, 18 February 2026).

No Committee members had spoken to this motion.

Mr F Bell left the meeting at 5.08 pm.

Mr F Bell returned to the meeting at 5.11 pm.

Revised Motion

Moved Mr F Bell that the Audit & Risk Management Committee:

1. Receives and notes the Payroll Internal Audit Report prepared by UHY Haines Norton, as presented in Attachment A - 'UHY Haines Norton Internal Audit Report' (Item 9.4, Audit & Risk Management Committee Meeting, 18 February 2026).
2. Requests that UHY Haines Norton amend the 'UHY Haines Norton Internal Audit Report' to clarify the findings of the audit and the actions required by the Administration. The revised report is to be presented to the June 2026 meeting of the Audit & Risk Management Committee.

Seconded: Ms N Caon

Carried

Mr F Bell left the meeting at 5.37 pm.

7 Questions without notice

Nil.

8 Presentations

Nil.

9 Reports

9.1 Internal Audit Result: Business Continuity

The Audit & Risk Management Committee was presented with the results of the recent Business Continuity audit undertaken by East Waste's appointed internal auditor's UHY Haines Norton.

Motion

Moved Ms N Caon that the Audit and Risk Management Committee:

1. Receives and notes the Internal Audit Result: Business Continuity Report as presented by UHY Haines Norton (Attachment A, Item 9.1, Audit & Risk Management Committee Meeting, 22 April 2026).
2. Requests that UHY Haines Norton amend the Internal Audit Result: Business Continuity Report in accordance with the feedback provided by the Committee and present the amended report to the June 2026 meeting of the Audit & Risk Management Committee.

Seconded: Ms L Green

Carried

9.4 Review of Internal Audit Work Plan

The Audit & Risk Management Committee was provided with the opportunity to undertake the first annual review of East Waste's two-year Internal Audit Work Plan, prepared by UHY Haines Norton, following an assurance mapping and risk analysis exercise that occurred prior to the commencement of the first internal audit cycle on 1 July 2025.

Motion

Moved Ms L Green that the Audit & Risk Management Committee receives and notes the Internal Audit Work Plan as presented by UHY Haines Norton (*Attachment A, Item 9.2, Audit & Risk Management Committee Meeting, 22 April 2026*).

Seconded: Ms N Caon

Carried

Ms K Peake and Ms C Garrett left the meeting at 5.50 pm.

9.5 Financial Statements – FY2026 Budget Review Three

The Audit & Risk Management Committee was provided 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 2026 as prescribed by the Local Government (Financial Management) Regulations 2011.

Motion

Moved Ms L Green that the Audit & Risk Management Committee notes and accepts the forecasted end of year FY2026 result associated with the 2025/26 Budget Review Three and recommends the FY2026 Budget Review Three to the East Waste Board for adoption subject to the East Waste Board being provided with explanatory notes to clearly explain the movement of monies.

Seconded: Ms N Caon

Carried

9.6 Review of Long-Term Financial Plan FY2027-2036

Under Section 122(1)(a) of the Local Government Act 1999, East Waste is required to develop and adopt a Long-Term Financial Plan for a period of at least ten (10) years, which forms part of its suite of Strategic Management Plans. The Long-Term Financial Plan (the Plan) was last reviewed and adopted in 2020, and going forward will be reviewed annually via the Audit & Risk Management Committee and Board, following the review of East Waste's Asset Management Plan, and prior to the development of the upcoming Annual Business Plan & Budget.

Motion

Moved Ms N Caon that the Audit & Risk Management Committee recommends the draft principles and assumptions presented within the draft Long-Term Financial Plan (*Attachment A, Item 9.6, Audit & Risk Management Committee Meeting 22 April 2026*), to the East Waste Board for adoption subject to the amendments and inclusions requested by the Committee being effected.

Seconded: Ms L Green

Carried

Due to the lateness of the hour, the Audit & Risk Management Committee determined to send feedback on Items 9.7 Draft Public Interest Disclosure Procedure and 9.8 Draft Fraud and Corruption Prevention Policy directly to the Administration in order for the draft policies to be included in the April East Waste Board meeting agenda.

9.7 Draft Public Interest Disclosure Procedure

The Public Interest Disclosure Act 2018 and the Public Interest Disclosure Regulations 2019 came into effect on 1 July 2019 with the purpose to encourage and facilitate disclosures of certain information (information that raises a potential issue or substantial risk to public health and safety, or the environment and about corruption, misconduct or maladministration in public administration) by ensuring that proper procedures are in place for making and dealing with such disclosures and by providing protection for persons making such disclosures.

The draft Public Interest Disclosure Procedure (PID Procedure) is a statutory procedure required under the Public Interest Disclosure Act 2018 (PID Act).

It is presented to the Audit & Risk Management Committee for consideration and comment.

9.8 Draft Fraud and Corruption Prevention Policy

The draft Fraud and Corruption Management Policy reflects East Waste's position on how it manages its responsibilities within the South Australian legislative framework for reporting of Fraud and Corruption to the three different bodies being the Independent Commission Against Corruption (ICAC), the Office of Public Integrity (OPI) and the Ombudsman SA who manage the State's Framework.

The draft Fraud and Corruption Prevention Policy is presented to the Audit & Risk Management Committee for consideration and comment.

9.9 Internal Audit Recommendation Progress Tracking

The purpose of this item was to provide the Audit & Risk Management Committee with an update on the progress of implementation of recommendations made by internal auditors, UHY Haines Norton, through East Waste's Internal Audit Program. The content of the report is the same as presented to the February 2026 meeting of the Audit & Risk Management Committee,

9.7 Information Report

The Information Report presents updates on standing items and other items that are relevant to the Audit & Risk Management Committee's Terms of Reference.

Motion

Moved: Ms N Caon that the Audit & Risk Management Committee receives and notes the Information Report as presented on 22 April 2026.

Seconded: Ms L Green

Carried

10. Closure

The Chairperson declared the meeting closed at 6.34 pm.

11. The next Ordinary Audit & Risk Management Committee Meeting is proposed to be held at 4 pm on 10 June 2026 at HenderCare, Level 3/81 Flinders Street, Adelaide.

These minutes have been signed as a true and correct record of the East Waste Audit & Risk Management Committee Meeting of 22 April 2026.

Chairperson

Date / /

EAST WASTE REGISTER OF CONTRACTS APRIL 2026

CONTRACT NAME	CONTRACT DESCRIPTION	CONTRACT EXPIRY	COMMENT
Tyres	Supply and fitment of tyres to East Waste fleet of collection vehicles, including maintenance	Expired	Tender active under LG Panel Tender
Supply of compostable bags	Supply of compostable bin liners and dog waste bags to member councils	1-Jul-26	Tender currently live
Receipt and Processing of Recyclable Material	Receipt and processing of member councils yellow bin material	Oct-26	Tender currently live
Waste Education Services	Delivery of Why Waste It program to schools	Jan-27	Preparation Phase with LG Procurement
External Audit Services	Provide external audit services in accordance with legislative requirements	Mar-27	Preparation to commence in second half 2026
Internal Audit Service	Provision of internal audit services	Jul-27	Preparation to commence in second half 2026
Supply of Collection Vehicles	Supply of collection vehicles over three years – Agreement for supply of cab chassis and compactors (Superior Pak PL) – Contract maintenance	Jan-28	Preparation to commence in second half of 2027
Landfill Contract	Receipt and processing of three Consituent Council's red/blue bin material	Jan-28	Preparation to commence in second half of 2027
IT Support and Maintenance Agreement	IT managed services support and licencing	Feb-28	Preparation to commence in second half of 2027
Supply of mobile garbage bins	Supply of mobile garbage bins and related components including delivery and repairs	Jul-29	Preparation to commence in second half of 2028
Bulk Fuel Supply	Supply of bulk fuel and associated equipment including tank and bowsers	Jul-30	Preparation to commence in second half of 2029
Receipt and Processing of Organics Material	Receipt and processing of member councils green bin material	Dec-30	Preparation to commence in second half/first half 2029

East Waste Board Outstanding Resolutions Register - as at 30 April 2026				
21/11/2024	9.3	Review of Long Term Financial Plan	That the Board endorse the draft principles and assumptions presented within the draft Long Term Financial Plan (Attachment A, Item 9.2, Board Meeting, 21 November 2024), with the expectation that Administration review East Waste's working capital requirement as a mechanism for retaining an appropriate cash balance over the life of the Plan.	COMPLETE: Update on Working Capital exercise presented for Board feedback at the April 2026 meeting cycles, in conjunction with review of LTFP. Subject to the Board being comfortable with preliminary workings, relevant financial policies will be reviewed and presented at the June meeting cycles.
1/05/2025	9.2	Strategic Risk Register Review	That the East Waste Board requests that East Waste implement an approach to capturing growth demand forecast information from Constituent Councils annually to inform Annual Plan and Budgets, Asset Management Plans and the Long Term Financial Plan.	ONGOING: The Cost Model review activity has identified an opportunity to utilise quarterly data to drive invoicing. Implementation date to be verified post Board endorsement of approach. Recommendations, post workshops and Constituent Council engagement will include adjusting the Admin Fee (definition and calculation) and greater engagement with Member Councils in the preparation of their annual budgets.
25/09/2025	10.1	Ordinary and Primary Return Process	Authorises the General Manager to write to the Chief Executive Officers of the Constituent Councils asking if they would please list the fee for a hard copy of the East Waste Register of Interests on the agenda of next available Council meeting, noting that the fee recommended by the East Waste Board is \$25 for the full Register of Returns.	ONGOING: Correspondence was sent to all Constituent Councils. Not all Councils have responded as yet, further there is divergence of response with support for \$25 or no support and a position that it should be free.
14/10/2025	6.1	Organics Processing Tender – Adjourned from 10 November 2025	Resolution held in confidence	ONGOING: Contract draft has been reviewed by East Waste and is currently with Peats Soil & Garden Supplies Discussion underway on final clauses requiring confirmation pre signature.
25/11/2025	10.1	General Manager Key Performance Indicators 2025/26	Meetings to be scheduled to assess progress against KPIs	COMPLETE: Following finalisation of Probationary Outcome, the General Manager's KPIS were endorsed by the Board in February 2026. A GMPRC Meeting is scheduled for June 2026.
26/02/2026	9.2	Draft 2026/27 Annual Plan & Budget	That the East Waste Board approve the Draft East Waste 2026/27 Annual Plan, as presented in Attachment A, Item 9.2, East Waste Board Meeting, 26 February 2026, to be distributed to the Constituent Councils for their consideration and adoption.	COMPLETE: Annual Plan & Budget letters inclusive of Common Fleet Fees distributed to Constituent Councils 26 March 2026.
			That the 2026/2027 sitting fees for Independent Members of the Audit & Risk Management Committee to be as follows: a) Independent Chair - \$682 per meeting b) Independent Member - \$568 per meeting.	COMPLETE: Revised fees effective 1 July 2026.
26/02/2026	9.5	Appointment of a Board Member to the Audit & Risk Management	Resolves to appoint a Board Member to the Audit & Risk Management Committee via circular resolution, prior to the April 2026 meeting of the Audit & Risk Management Committee.	ONGOING - EW Board so resolved. Constituent Councils to approve appointment in accordance with East Waste Charter.
			Requests that the Board Chair write to Mr Di Iulio to thank him for his years of service and valuable contributions to the East Waste Board and Committees on which he served.	COMPLETE - Correspondence sent to Mr Di Iulio on 2 March 2026.

ITEM 9.8 – ATTACHMENT D



NO.	ACTIVITY/PROJECT	OVERVIEW	STRATEGY	MAIN KPI/TARGET	STATUS UPDATE
DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES					
1.	Continue & Expand Core services	East Waste optimisation will come from providing a full suite of services to Member Councils. Where this doesn't occur, East Waste will work with member Councils with an aim to provide a full suite of services to all member Councils.	1.1	Vision Target	General Manager will continue to seek opportunities to expand core services with Member Councils.
2.	Investigate opportunities outside of existing Member Councils.	When potential opportunities arise, East Waste will investigate service provision to non-member Councils and subsidiaries where the benefit and/or the fostering of partnerships can drive value to Member Councils.	1.1	Vision Target	East Waste has been approached to consider possible delivery models for supporting new customers.
4.	Implement a Complaints Management/Ticket system to streamline customer service operations, enhance issue resolution efficiency, and improve stakeholder satisfaction	East Waste will implement a Complaints Management/Ticket system to enhance customer service efficiency, streamline issue tracking, and improve response times. This system will provide a structured approach to logging, monitoring, and resolving customer inquiries and complaints, ensuring accountability and transparency. The project aims to optimize workflows, reduce resolution time, and enhance overall customer satisfaction.	1.5	Vision Target	Complete. Ongoing reviews and improvement will continue until 2026-2027 plan commences.

MAXIMISE SOURCE SEPARATION & RECYCLING

5.	Advance trials and rollout of weekly organics collections	Through the success of current weekly organics trials (FOGO Trials) undertaken by East Waste and more broadly across metropolitan Adelaide, East Waste will work with member Councils to increase the trials/rollouts.	2.1	At least 75% of kerbside material separately collected & recycled 100% of food waste separately collected and recycled.	Existing FOGO trials are continuing with discussions occurring for further trials Burnside, Mitcham and Unley looking to commence or expand trials. Estimates process has been improved for transparency and sharing.
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PROVIDE LEADING AND INNOVATIVE BEHAVIOUR CHANGE AND EDUCATION

6.	Delivery of the “Why Waste It?” behaviour change program and associated social media.	Utilising the results of the reviews and biennial kerbside audits undertaken over the past 6 years, refine and deliver the ongoing successful “Why Waste It?” program, with a strong food waste separation focus.	3.2	Vision Target	Programs currently being delivered by both East Waste and KESAB.
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HELP DRIVE A LOCAL CIRCULAR ECONOMY

7.	Develop and Procure high value processing contracts.	East Waste on behalf of engaged Member Councils will procure new long-term co-mingled recycling contracts with a focus on ensuring the collected material is processed in a manner which retains and utilises the material at its highest order and so far as possible, locally.	4.4	Vision Target	Organics contract in final stages of signoff. Recycling tender now live, along with Disposable bags and tyres.
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PROVIDE LEADERSHIP

8.	Fleet Replacement	In line with the Long-Term Financial Plan, undertake the replacement of six (6) collection vehicles.	5.4	Vision Target	Six delivery vehicles will arrive in 2026, four vehicles were sold at auction.
9.	WHS System Responsibility and Accountability	Continuation of ongoing Risk Management and Work Health & Safety systems and processes to provide a safe and healthy workplace for all employees and those which interact with us.	5.1	Implement best practice safety standards	Digital reporting (Power BI) now active for key safety metrics. Executive Support Group actively reviewing weekly. Invitations to be sent early May following feedback.

East Waste Annual Reporting Calendar
Board and Audit & Risk Management Committee
2026

	Feb	Apr/May	Jun	Sep	Nov	
Audit & Risk Management Committee Meeting	Feb 18	Apr 22	Jun 10	Sep 16	Nov 11	✓ Item previously presented/endorsed
Board Meeting	Feb 26	Apr 30	Jun 25	Sep 24	Nov 26	<ul style="list-style-type: none"> ✓ Item included in current meeting Agenda • Item deferred to a future meeting ■ Item not presented this calendar year

Meeting	Financial						Notes
B	A&R	Budget Review 2	✓				
B		Set fees - Independent members, viewing Interest Register	✓				
B	A&R	Draft Annual Plan & Budget Assumptions	✓				
	A&R	Review of Proposed External Audit Work Plan		✓			Included within presentation of Interim External Audit Report (brought forward)
	A&R	Review of Proposed Internal Audit Work Plan		✓			First annual review.
B	A&R	Budget Review 3		✓			
B	A&R	Interim External Audit Report			✓		Brought forward to align timing to Galpins and East Waste availability.
B	A&R	Annual Plan and Budget Endorsement					
B		Review of Confidential Orders					
B	A&R	Draft Audited Financial Statements & Meeting with Auditor					
B	A&R	Regulation 10 Financial Report					
B	A&R	Review of Asset Management Plan					
B	A&R	Draft Annual Report for Endorsement					
B	A&R	Budget Review 1					
B	A&R	Long Term Financial Plan Review					
B	A&R	Treasury Management Performance Report					
B	A&R	Customer Service Metrix Report					
Governance							
B		Board & Committee Appointments	✓				Board Director appointed to Audit & Risk Management Committee via Circular Resolution.
B		General Manager Performance Review	✓				General Manager probationary outcome scheduled for February Board meeting cycles.
B		Annual Education Summary Report					
B		Lodgment of RPD, Primary, and Ordinary Returns					
B	A&R	Policy Review Schedule					
B	A&R	Board and Audit & Risk Management Committee Performance Evaluations					
B	A&R	Proposed Meeting Schedule for Proceeding Year					
B		Review of Confidential Orders					
Risk							
B	A&R	Strategic Risk Register Review	✓				