

## EASTERN WASTE MANAGEMENT AUTHORITY

### AGENDA

#### ORDINARY MEETING OF THE BOARD OF MANAGEMENT

Meeting to be held on Thursday 22 February 2018 commencing at 5:30pm,  
at the City of Norwood, Payneham & St Peters, 175 The Parade, Norwood

1. PRESENT

2. APOLOGIES

3. CONFIRMATION OF THE MINUTES

RECOMMENDED:

1. That the Minutes of the Eastern Waste Management Authority Board Meeting held on Thursday 16 November 2017, be received, confirmed and adopted

2. That the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee held on Tuesday 13 February 2018, be received, confirmed and adopted.

4. CONFLICTS OF INTEREST

5. MATTERS ARISING FROM THE MINUTES

6. QUESTIONS WITHOUT NOTICE

7. REPORTS

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9. OTHER BUSINESS

9. NEXT MEETING OF THE BOARD

The next Board Meeting is to be held on:  
Thursday 26 April, 2018, commencing 5:30pm  
at the City of Norwood, Payneham & St Peters, 175 The Parade, Norwood

10. CLOSURE OF MEETING



**MINUTES OF THE ORDINARY BOARD MEETING OF THE  
EASTERN WASTE MANAGEMENT AUTHORITY**

Held on Thursday 16 November 2017 at 5.31pm at the City of Norwood, Payneham & St Peters,  
175 The Parade, Norwood

**1. PRESENT**

**Directors:**

Mr B Cunningham	Independent Chairperson
Cr L Green	Adelaide Hills Council
Cr G Piggott	City of Burnside
Mr P Di Iulio	Campbelltown City Council
Cr K Hockley	City of Mitcham
Mr M Barone	City of Norwood, Payneham & St Peters
Mr S Bradley	City of Prospect
Cr G Busato	Corporation of the Town of Walkerville

**In Attendance:**

Mr R Gregory	General Manager
Miss A Quintrell	Office Administrator
Mr J Jovicevic	Dean Newbery & Partners

**2. APOLOGIES**

Ms C Hart	City of Prospect
Mr S Raymond	Manager Corporate Services

**3. CONFIRMATION OF THE MINUTES**

Moved Cr Hockley that the Minutes of the Eastern Waste Management Authority Board Meeting held on Thursday 21 September 2017, be received, confirmed and adopted.

Seconded Cr Busato

**Carried**

Moved Cr Hockley that the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee held on Monday 13 November 2017, be noted.

Seconded Cr Busato

**Carried**

**4. CONFLICTS OF INTEREST**

Chairperson declared conflict in Agenda Item 8.1

Mr Jovicevic declared conflict in Agenda Item 8.1

**5. MATTERS ARISING FROM THE MINUTES**

- RDO Overpayment: verbal update provided by General Manager

**6. QUESTIONS WITHOUT NOTICE**

Nil

## **7. REPORTS**

*Cr Piggott entered the meeting at 5.39pm*

*Cr Green entered the meeting at 5.42pm*

*Mr Barone entered the meeting at 5.52pm*

### **7.1 FINANCIAL REPORT: SEPTEMBER QUARTER 2017 + BUDGET REVIEW ONE**

Moved Cr Hockley that the Board:

1. Endorse the September Quarter 2017 Financial Report and 2017/18 Budget Review One as presented;
2. Notes the September Quarter 2017 operating surplus of \$69,271.98 derived prior to the City of Prospect joining and this amount is returned to the Member Councils in the form of a fee reduction in line with the 2017/18 Adopted Budget Common Fleet Costings; and
3. Directs the General Manager to amend the Annual Business Plan Tables for each Council showing the movement in fees attributed to the City of Prospect joining and commencement of new services and the current components of Common Fleet costing.
4. Seeks direction from the Audit and Risk Management Committee on the need and level for a future first half reporting rebate contingency to safeguard against unforeseen expenses.

Seconded Mr Bradley

**Carried**

### **7.2 TREASURY MANAGEMENT POLICY**

Moved Cr Hockley that the Board note the report and instruct the General Manager to undertake further refinement, particularly around the definitions and re-present in February 2018 through the Audit & Risk Management Committee Meeting.

Seconded Mr Bradley

**Carried**

### **7.3 DRAFT SCOPE OF WORKS: AUDIT OF PAYROLL + ACCOUNTS PAYABLE**

Moved Cr Busato that the Board endorses the Scope of Works for the Payroll and Accounts Payable/Procurement Audits.

Seconded Cr Green

**Carried**

### **7.4 AUDIT & RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE**

Moved Cr Piggott that the Board approve the proposed amendments to the Eastern Waste Management Audit and Risk Management Committee Terms of Reference.

Seconded Mr Bradley

**Carried**

### **7.5 APPOINTMENT OF BOARD MEMBERS TO AUDIT & RISK MANAGEMENT COMMITTEE FOR 2018**

Moved Cr Piggott that the Board endorse Mr Barone and Cr Hockley as Committee Members of the Eastern Waste Management Authority Audit and Risk Management Committee for the 2018 calendar year.

Seconded Cr Green

**Carried**

#### **7.6 2018 MEETING SCHEDULE**

Moved Mr Bradley that the Board endorses the proposed dates of the 2018 Audit and Risk Management Committee and Board Meetings.

Seconded Cr Hockley

**Carried**

#### **7.7 ANNUAL PLAN 17/18 PROGRESS REPORT**

Moved Cr Busato that the report is received and noted.

Seconded Mr Bradley

**Carried**

### **8. CONFIDENTIAL REPORTS**

*Chairperson left the meeting at 6.14pm due to conflict of interest*

*Mr Jovicevic left the meeting at 6.14pm due to conflict of interest*

#### **8.1 CONTRACT UPDATE**

##### **RECOMMENDATION 1**

Moved Cr Busato that the East Waste Board recommend that pursuant to Section 90(2) and (3) of the Local Government Act 1999, the East Waste Board orders that the public, with the exception of the East Waste staff present, be excluded from the meeting on the basis that the East Waste Board will receive, discuss and consider:

(b) information the disclosure of which –

(i) could reasonably be expected to confer a commercial advantage on a person with whom East Waste is conducting, or proposing to conduct, business, or to prejudice the commercial position of East Waste; and

(ii) would, on balance, be contrary to public interest;

And 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/discussion/consideration of the information confidential.

Seconded Cr Hockley

**Carried**

##### **RECOMMENDATION 3**

Moved Mr Bradley that under Section 91(7) and (9) of the Local Government Act 1999 the East Waste Board orders that the report, attachment(s), discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

Seconded Cr Piggott

**Carried**

*Chairperson re-entered the meeting at 6.45pm*

## **8.2 CONTRACT MATTER**

### **RECOMMENDATION 1**

Moved Mr Barone that the East Waste Board recommend that pursuant to Section 90(2) and (3) of the Local Government Act 1999, the East Waste Board orders that the public, with the exception of the East Waste staff present, be excluded from the meeting on the basis that the East Waste Board will receive, discuss and consider:

(b) information the disclosure of which –

(i) could reasonably be expected to confer a commercial advantage on a person with whom East Waste is conducting, or proposing to conduct, business, or to prejudice the commercial position of East Waste; and

(ii) would, on balance, be contrary to public interest;

And 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/discussion/consideration of the information confidential.

Seconded Cr Busato

**Carried**

### **RECOMMENDATION 2**

Moved Mr Bradley that the Board instruct the General Manager to provide a preliminary report into future waste disposal options, costings and opportunities.

Seconded Mr Di Iulio

**Carried**

***Mr Barone left the meeting at 6.56pm***

## **9. OTHER BUSINESS**

City of Prospect extended thanks to the Chairperson, Board and General Manager, for a smooth transition as new Member Council.

## **10. NEXT MEETING OF THE BOARD**

The next Board Meeting to be held on Thursday 22 February at the City of Norwood, Payneham & St Peters at 5.30pm.

## **11. CLOSURE OF MEETING**

There being no further business the meeting closed at 7.05pm

**Confirmed**

**DATE:** \_\_\_\_\_

**CHAIRMAN:** \_\_\_\_\_



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

held on Tuesday 13 February 2018 at Chairman's Boardroom, 1101/147 Pirie Street, Adelaide

**WELCOME**

Meeting opened at 8.34am

**1. PRESENT**

Mr Brian Cunningham	Independent Chairperson
Mr Tim Muhlhausler	Independent Member
Mr Leigh Hall	Independent Member
Cr Karen Hockley	Committee Member
Mr Mario Barone	Committee Member

**IN ATTENDANCE**

Mr Rob Gregory	General Manager
Mr Shane Raymond	Manager, Corporate Services
Mr John Jovicevic	Dean Newbery & Partners (Accounting Consultant)

**2. APOLOGIES**

**3. CONFIRMATION OF THE MINUTES – 13 November 2017**

Moved Mr Hall that the Minutes of the previous meeting held on Monday 13 November 2017 be received and noted.

Seconded Mr Muhlhausler

**Carried**

**3a. MATTERS ARISING FROM THE MINUTES**

Nil

**4. STAFF REPORTS**

**4.1 FINANCIAL REPORT: DECEMBER QUARTER + BUDGET REVIEW TWO**

Moved Mr Muhlhausler that the Committee:

1. Recommends that the December Quarter 2017 Financial Report is received and recommended to the East Waste Board for endorsement;
2. Notes and accepts the movements associated with the 2017/18 Budget Review Two and recommends to the East Waste Board for endorsement.

Seconded Mr Barone

**Carried**

**4.2 DRAFT 2018/19 BUDGET AND KEY ASSUMPTIONS**

Moved Mr Muhlhausler that the Committee:

1. Notes and supports the 2018/19 Draft Budget and Key Assumptions for presentation to the Board; and
2. Recommend that the East Waste Board consider the establishment of a Budget Framework by November 2018, in order to provide even greater definition and transparency.

Seconded Mr Barone

**Carried**

#### **4.3 2017 LGA RISK EVALUATION SUMMARY & ACTION PLAN**

Moved Mr Muhlhausler that the Committee:

1. Receives and notes the findings of the Local Government Worker's Compensation Scheme 2017 Risk Evaluation as presented in Attachment A; and
2. Note and support the Action Plan to address outstanding conformance matters identified in the 2017 Risk Evaluation.

Seconded Mr Barone

**Carried**

*Cr Hockley entered the room at 9.05am*

#### **4.4 ESTABLISHMENT OF GENERAL MANAGER PERFORMANCE COMMITTEE**

Moved Cr Hockley that the Committee:

1. Notes the Report
2. Recommends the East Waste Board establish a General Manager Performance Review and Development Committee as per the amended Terms of Reference as presented in Attachment A.

Seconded Mr Muhlhausler

**Carried**

#### **4.5 DRAFT TREASURY MANAGEMENT POLICY**

Moved Cr Hockley:

That the Committee recommends the draft East Waste Treasury Management Policy as presented in Attachment A, be adopted by the East Waste Board.

Seconded Mr Barone

**Carried**

#### **4.6 REVIEW OF FINANCIAL DELEGATIONS**

Moved Mr Leigh Hall:

That the Committee recommends the draft Instrument of Delegations as presented in Attachment A and as amended, be adopted by the East Waste Board.

Seconded Mr Muhlhausler

**Carried**

#### **4.7 REVIEW OF GOODS AND SERVICES POLICY**

Moved Cr Hockley:

That the Committee recommends the draft East Waste Procurement Policy as presented in Attachment A and as amended, be adopted by the East Waste Board.

Seconded Mr Muhlhausler

**Carried**

### **5. CONFIDENTIAL REPORTS**

#### **5.1 CONTRACT UPDATE**

##### **RECOMMENDATION 1**

Moved Mr Muhlhausler that pursuant to Section 90(2) and (3) of the Local Government Act 1999, the East Waste Audit and Risk Management Committee orders that the public, with the exception of the East Waste staff present, be excluded from the meeting on the basis that the East Waste Audit and Risk Management Committee will receive, discuss and consider:

(b) information the disclosure of which –

- (i) could reasonably be expected to confer a commercial advantage on a person with whom East Waste is conducting, or proposing to conduct, business, or to prejudice the commercial position of East Waste; and

(ii) would, on balance, be contrary to the public interest;  
and the East Waste Audit and Risk Management Committee 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/discussion/consideration of the information confidential.

Seconded Cr Hockley

**Carried**

**RECOMMENDATION 3**

Moved Mr Barone that under Section 91(7) and (9) of the Local Government Act 1999 the East Waste Audit and Risk Management Committee orders that the report, attachment(s), discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed by the East Waste Board.

Seconded Mr Muhlhausler

**Carried**

**5.2 PROVISION & MAINTENANCE OF TYRES CONTRACT**

**RECOMMENDATION 1**

Moved Mr Barone that pursuant to Section 90(2) and (3) of the Local Government Act, 1999 the East Waste Audit and Risk Management Committee orders that the public, with the exception of the East Waste staff present, be excluded from the meeting on the basis that the East Waste Audit and Risk Management Committee will receive, discuss and consider:

(k) tenders for the supply of goods, the provision of services or the carrying out of works;

and the East Waste Audit and Risk Management Committee 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/discussion/consideration of the information confidential.

Seconded Mr Muhlhausler

**Carried**

**RECOMMENDATION 3**

Moved Cr Hockley that under Section 91(7) and (9) of the Local Government Act 1999 the East Waste Audit and Risk Management Committee orders that the report and discussion be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.

Under Section 91(7) and (9) of the Local Government Act 1999 the East Waste Audit and Risk Management Committee orders that the minutes be kept confidential until the contract has been entered into by all parties to the contract.

Seconded Mr Muhlhausler

**Carried**

**6. OTHER BUSINESS**

Mr Muhlhausler advised that he will be an apology for the next meeting scheduled for Tuesday 17 April 2018.

**7. NEXT MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

The next Audit and Risk Management Committee Meeting will be held on Tuesday 17 April 2018 commencing at 8.30am at Galpins Boardroom, 3 Kensington Road, Norwood.

**8. CLOSURE OF MEETING**

The meeting closed at 9.38am.



**PRESIDING MEMBER** \_\_\_\_\_

**DATE** \_\_\_\_\_

## 7.1: FINANCIAL REPORT – QUARTER 2 & BUDGET REVIEW TWO

<b>REPORT AUTHOR:</b>	<b>General Manager</b>
<b>ATTACHMENTS:</b>	<b>A: Profit &amp; Loss Report</b>
	<b>B: Business Unit Profit &amp; Loss Report</b>
	<b>C: Non-Operating Activities Report</b>
	<b>D: Common Fleet Costing Worksheet</b>
	<b>E: Statement of Comprehensive Income</b>
	<b>F: Balance Sheet</b>
	<b>G: Statement of Cash Flow</b>
	<b>H: Statement of Changes in Equity</b>
	<b>I: Uniform Presentation of Finances Statement</b>

### Purpose of the Report

To present to the Board detailed Financial Statements for the December Quarter 2017 and report on Budget Review Two (2) as prescribed by the Regulations.

### Background

At the meeting held 29 June 2017, the East Waste Board resolved:

### **FY18 ANNUAL PLAN & BUDGET ENDORSEMENT**

Moved Mr Di Iulio that the 2017/2018 Annual Plan is adopted, and that *the 2017/2018 Budget is adopted, noting that there will be subsequent changes in Budget Review 1 due to new services coming online early in the new financial year.*

Seconded Mr Barone **Carried**

In accordance with Regulation 9 of the Local Government (Financial Management) Regulations 2011:

1. *A council, council subsidiary or regional subsidiary must prepare and consider the following reports:*
  1. *at least twice, between 30 September and 31 May (both dates inclusive) in the relevant financial year (where at least 1 report must be considered before the consideration of the report under subregulation (1)(b), and at least 1 report must be considered after consideration of the report under subregulation (1)(b))—a report showing a revised forecast of its operating and capital investment activities for the relevant financial year compared with the estimates for those activities set out in the budget presented in a manner consistent with the note in the Model Financial Statements entitled Uniform Presentation of Finances;*
  - (b) between 30 November and 15 March (both dates inclusive) in the relevant financial year—a report showing a revised forecast of each item shown in its budgeted financial statements for the relevant financial year compared with estimates set out in the budget presented in a manner consistent with the Model Financial Statements.*

The attached statements (refer Attachments A-I) have been prepared in accordance to the above stated regulation.

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## **Report**

### **Part One – December Quarter (Q2) 2017**

Most significantly, East Waste commenced service for the City of Prospect as a new Member Council at the beginning of the quarter and consolidated other new services commenced in July 2017. As a result this has significantly impacted on the budget and Year to Date actuals. These movements resulted in an operating deficit of \$78,533. There are a number of reasons for this and the key variances include:

- **Financial Year 2017 Rebate Payment:** The return to six member Councils for the overcharging of waste collection services in 2017, reduced income by \$338,889.
- **Alteration to Invoicing:** During Quarter 2 East Waste moved to consolidated invoicing. Traditionally Member Councils have been invoiced in advance at the start of each Quarter for the core kerbside services and in arrears monthly for street litter and hard waste collections. As a result of improvements to the GPS tracking system and confidence in data, these latter two collection streams are now included in the upfront quarterly common fleet charge.

This resulted in street litter and hard rubbish costs for November and December 2017 not being charged to the relevant Member Councils until Quarter 3 and a reduction in income of \$130,000 for the Quarter 2 period. These funds will be realised in Quarter 3.

- **City of Prospect Biobag Rollout:** The purchase of biobags for every tenement within the City of Prospect cost \$80,000, which had not been accounted for or recouped as yet. These funds will be realised in Quarter 3.
- **Employee Terminations:** Three long-term employees terminated their employment with East Waste during the quarter. This resulted in termination payments totalling \$36,000.
- **Fringe Benefit Tax:** Payment of \$24,000 in historical Fringe Benefit Tax charges which wasn't accounted for in the original budget.
- **Recycling Rebate:** Income from the recycling rebate is approximately \$230,000 less Year to Date than expected. The primary rationale for this is explained within Report 8.1.

Taking just the reduced income of the Member Council rebate and delayed charging of street litter collection and hard waste charges, results in a reduced income for the quarter of \$440,000. Without these variations an operating surplus of \$350,000 would be realised which is a very positive quarter result, particularly given the amount of new services and personnel changes.

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## **Part Two – Budget Review Two (2)**

As noted upon adoption, there have been a number of significant changes to the 2017/18 Annual Plan and Budget. The majority of these occurred as part of Budget Review One. Additional changes have occurred to account for actual and likely expenditure variations. Where changes have occurred, corresponding Administration and Overhead Expenses and/or income streams have been adjusted accordingly. The more significant items include:

- **Green Organics Disposal:** Reduced green organic collection tonnes have resulted in reduced disposal expenditure. This is largely weather related, however collection data to date suggest this will remain consistent for the remainder of the year.
- **Audit & Contamination:** Executive staff have identified there is no need to undertake audits this financial year as part of the SKM recycling contract. An audit may need to be undertaken for the City of Prospect as a new Member Council, hence the retention of \$10,000.
- **Equipment Hire:** The decision to retain an additional truck as a spare this financial year has resulted in greater maintenance flexibility and reduced hire costs when multiple breakdowns occur. Improved service scheduling, diligence and workshop oversight has also led to reduced equipment hire.
- **Maintenance -Bins:** Activities and repairs are up across all Councils, which as a generalisation is assumed to be a reflection of the ageing bin stock. In addition an allowance has been made for the previously unaccounted costs associated with the City of Prospect biobag rollout (refer Part 1).
- **Profit from Sale of Fixed Assets:** Income from disposed trucks is accounted for against this line. With the addition of the City of Prospect new trucks were purchased as per the Truck Replacement Asset Management Plan, however no trucks were disposed of.
- **Interest Income:** Interest income at BR2 has been revised down given the lower return on cash deposits held by East Waste. When the budget was originally developed, it was assumed that surplus funds would be deposited in a high interest earning account at the start of the financial year. Once the Treasury Management Policy is adopted by the Board, surplus cash funds will be held in a high interest account which will result in higher returns than currently being achieved.
- **Legal fees** – An additional adjustment has been made to account for the increase incurred in the first half of the year associated with the on-boarding of City of Prospect and legal advice associated with two staff related matters. It is anticipated there will be some preliminary costs incurred this year with the commencement of the Drivers Enterprise Agreement negotiations.

In addition to the above, Members will note that the Common Fleet percentages for the individual Councils has changed again. While under a true common fleet model very minor changes will always occur due to the slight shift in time spent undertaking services, it was identified following Budget Review 1, the City of Prospect percentage share of (8.02%) had been modelled on a full year of operation, rather than the nine months they are a member of the existing financial year. As such the City of Prospect Common Fleet percentage in this Budget Review has been readjusted to 6.02%.

East Waste's external accountancy firm Dean Newberry & Partners have prepared the Budget Review financial reports in the prescribed format which details the varied financial papers (refer Attachment A-H). With respect to the Common Fleet Costing Table in Attachment D (refer Attachment D), please note the *Estimated Movement* and *2017/18 Original Budget* column has been removed and Individual Council Movements are represented in more detail on the subsequent pages. These tables track the 2017/18 Annual Plan endorsed financials, through the significant operational changes experienced and using extrapolated figures from BR2 provide an indicative benefit following the integration of the additional services and East Waste operational savings. For many of the reasons outlined above the figures for a few of the Councils at this point in time are not achieving the BDO projected saving, however the Executive are confident that all Member Councils will surpass by the end of the financial year.

The December Quarter 2017 financials along with the 2017/18 Budget Review Two was presented to the Audit and Risk Management Committee meeting on 13 February 2018 and while a number a verbal clarifications were sought, both reports were endorsed for presentation to the Board without change.

#### **RECOMMENDATION**

##### **The Board:**

- 1. Endorse the December Quarter 2017 Financial and 2017/18 Budget Review Two as presented.**

**EAST WASTE****COMMON FLEET COSTING WORKSHEET (BUDGET)**

for the Financial Year Ending 30 June 2018

	<b>2018</b>
	<b>\$</b>
	<b>PROPOSED BUDGET</b>
Total Waste Collection Costs	10,139,766
Total Administrative & Corporate Overhead Costs	1,246,978
<b>Total Expenses Per Profit &amp; Loss</b>	<b>11,386,743</b>
<b>Less: Member Council Non-Collection Income</b>	
Administration Income	-
<b>Total Recoverable Collection Costs - Member Councils</b>	<b>11,386,743</b>
<i>Add: Additional Charges - Board Approved Surplus Charges</i>	-
<b>Total Recoverable Collection Costs - Member Councils</b>	<b>11,386,743</b>

Member Council	C&T %	Estimated Costs to be Allocated
Adelaide Hills Council	22.82%	2,598,455
City of Burnside	17.14%	1,951,688
Campbelltown City Council	19.55%	2,226,108
City of Mitcham	14.43%	1,643,107
City of Norwood Payneham & St Peters	16.55%	1,884,506
City of Prospect	6.02%	685,482
Corporation Town of Walkerville	3.49%	397,397
<b>Total</b>		<b>11,386,743</b>

\* Note: The *Estimated Movement* column has been removed from the above table and Individual Council Movements are represented in more detail on the following pages.

## EAST WASTE

### COMMON FLEET COSTING WORKSHEET (BUDGET) - PROJECTED 2017/18 MEMBER COUNCIL MOVEMENTS

Financial Year Ending 30 June 2018

Adelaide Hills Council	Adopted 2017/2018 Fees	Fees inc Rear Loader	Fees inc Prospect + Rear Loader (BR2 Actuals)	Movement	Comments
East Waste Equity Loan	\$ 18,140.00	\$ 18,140.00	\$ 16,685.32	-\$ 1,454.68	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967.00	\$ 35,967.00	\$ 35,967.00	\$ -	
Collection Fees	\$ 2,434,014.00	\$ 2,631,162.00	\$ 2,598,454.85	\$ 164,440.85	
Green Organics Processing	\$ 125,724.00	\$ 125,724.00	\$ 114,509.00	-\$ 11,215.00	Charged at-cost to Council
At-call Hard Waste Collection	\$ 71,914.00	\$ -	\$ -	-\$ 71,914.00	Now included in Common Fleet Costing
Hard Waste Disposal Fees	\$ 27,093.00	\$ 27,093.00	\$ 27,093.00	\$ -	Charged at-cost to Council
Litter and Public Place Bin	\$ 125,234.00	\$ -	\$ -	-\$ 125,234.00	Now included in Common Fleet Costing
Bin Finance	\$ 64,578.00	\$ 64,578.00	\$ 64,578.00	\$ -	
Projected Saving	\$ 2,902,664.00	\$ 2,902,664.00	\$ 2,857,287.17	-\$ 45,376.83	
F17 Operational Saving				\$ 99,895.44	Returned to Council in F18 (exists as reduced income to EW)
Recyclables Income	\$ 126,674.00	\$ 126,674.00	\$ 126,674.00	\$ -	
BDO Report Indicative Saving				\$ 57,467.00	

City of Burnside	Adopted 2017/2018 Fees	Fees inc Rear Loader	Fees inc Prospect + Rear Loader (BR2 Actuals)	Movement	Comments
East Waste Equity Loan	\$ 23,065.00	\$ 23,065.00	\$ 21,207.30	-\$ 1,857.70	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967.00	\$ 35,967.00	\$ 35,967.00	\$ -	
Collection Fees	\$ 1,921,222.00	\$ 1,997,659.00	\$ 1,951,687.83	\$ 30,465.83	
Green Organics Processing	\$ 222,013.00	\$ 222,013.00	\$ 213,563.00	-\$ 8,450.00	Charged at-cost to Council
At-call Hard Waste Collection	\$ 76,437.00	\$ -	\$ -	-\$ 76,437.00	Now included in Common Fleet Costing
Hard Waste Disposal Fees	\$ 59,909.00	\$ 59,909.00	\$ 59,909.00	\$ -	Charged at-cost to Council
Projected Saving	\$ 2,338,613.00	\$ 2,338,613.00	\$ 2,282,334.13	-\$ 56,278.87	
F17 Operational Saving				\$ 80,447.90	Returned to Council in F18 (exists as reduced income to EW)
Recyclables Income	\$ 151,056.00	\$ 151,056.00	\$ 151,056.00	\$ -	
BDO Report Indicative Saving				\$ 29,286.00	

## EAST WASTE

### COMMON FLEET COSTING WORKSHEET (BUDGET) - PROJECTED 2017/18 MEMBER COUNCIL MOVEMENTS

Financial Year Ending 30 June 2018

Campbelltown City Council	Adopted 2017/2018 Fees	Fees inc Rear Loader	Fees inc Prospect + Rear Loader (BR2 Actuals)	Movement	Comments
East Waste Equity Loan	\$ 24,195.00	\$ 24,195.00	\$ 22,250.84	-\$ 1,944.16	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967.00	\$ 35,967.00	\$ 35,967.00	\$ -	
Collection Fees	\$ 2,075,160.00	\$ 2,235,404.00	\$ 2,226,108.34	\$ 150,948.34	
Green Organics Processing	\$ 233,775.00	\$ 233,775.00	\$ 224,155.00	-\$ 9,620.00	Charged at-cost to Council
At-call Hard Waste Collection	\$ 80,244.00	\$ -	\$ -	-\$ 80,244.00	Now included in Common Fleet Costing
Hard Waste Disposal Fees	\$ 56,611.00	\$ 56,611.00	\$ 56,611.00	\$ -	Charged at-cost to Council
Litter and Public Place Bin	\$ -	\$ 80,000.00	\$ -	-\$ 80,000.00	Now included in Common Fleet Costing
Projected Saving	\$ 2,505,952.00	\$ 2,585,952.00	\$ 2,565,092.18	-\$ 20,859.82	
F17 Operational Saving				\$ 82,768.58	Returned to Council in F18 (exists as reduced income to EW)
Recyclables Income	\$ 158,857.00	\$ 158,857.00	\$ 158,857.00	\$ -	
BDO Report Indicative Saving				\$ 39,264.00	

City of Mitcham	Adopted 2017/2018 Fees	Fees inc Rear Loader	Fees inc Prospect + Rear Loader (BR2 Actuals)	Movement	Comments
East Waste Equity Loan	\$ 32,013.00	\$ 32,013.00	\$ 29,443.37	-\$ 2,569.63	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967.00	\$ 35,967.00	\$ 35,967.00	\$ -	
Collection Fees	\$ 1,570,364.00	\$ 1,689,104.00	\$ 1,643,107.08	\$ 72,743.08	
Green Organics Processing	\$ 323,291.00	\$ 323,291.00	\$ 316,191.00	-\$ 7,100.00	Charged at-cost to Council
At-call Hard Waste Collection	\$ 118,740.00	\$ -	\$ -	-\$ 118,740.00	Now included in Common Fleet Costing
Hard Waste Disposal Fees	\$ 96,883.00	\$ 96,883.00	\$ 96,883.00	\$ -	Charged at-cost to Council
Litter and Public Place Bin	\$ -	\$ -	\$ -	\$ -	Now included in Common Fleet Costing
Projected Saving	\$ 2,177,258.00	\$ 2,177,258.00	\$ 2,121,591.45	-\$ 55,666.55	
F17 Operational Saving				\$ 64,189.81	Returned to Council in F18 (exists as reduced income to EW)
Recyclables Income	\$ 219,949.00	\$ 219,949.00	\$ 219,949.00	\$ -	
BDO Report Indicative Saving				\$ 25,663.00	



## EAST WASTE

### COMMON FLEET COSTING WORKSHEET (BUDGET) - PROJECTED 2017/18 MEMBER COUNCIL MOVEMENTS

Financial Year Ending 30 June 2018

City of NPSP	Adopted 2017/2018 Fees	Fees inc Rear Loader	Fees inc Prospect + Rear Loader (BR2 Actuals)	Movement	Comments
East Waste Equity Loan	\$ 20,665.00	\$ 20,665.00	\$ 18,996.81	-\$ 1,668.19	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967.00	\$ 35,967.00	\$ 35,967.00	\$ -	
Collection Fees	\$ 1,650,332.00	\$ 1,874,752.80	\$ 1,884,506.04	\$ 234,174.04	
Green Organics Processing	\$ 159,320.00	\$ 159,320.00	\$ 151,175.00	-\$ 8,145.00	Charged at-cost to Council
At-call Hard Waste Collection	\$ -	\$ 59,836.80	\$ -	-\$ 59,836.80	Now included in Common Fleet Costing
Hard Waste Disposal Fees	\$ -	\$ 36,163.20		-\$ 36,163.20	Charged at-cost to Council
Litter and Public Place Bin	\$ 136,660.00	\$ -	\$ -	-\$ 136,660.00	Now included in Common Fleet Costing
Illegal Dumping Collection	\$ 27,924.00	\$ -	\$ -	-\$ 27,924.00	
Projected Saving	\$ 2,030,868.00	\$ 2,126,868.00	\$ 2,090,644.85	-\$ 36,223.15	
F17 Operational Saving				\$ 66,777.31	Returned to Council in F18 (exists as reduced income to EW)
Recyclables Income	\$ 126,681.00	\$ 126,681.00	\$ 126,681.00	\$ -	
BDO Report Indicative Saving				\$ 25,197.00	

Town of Walkerville	Adopted 2017/2018 Fees	Fees inc Rear Loader	Fees inc Prospect + Rear Loader (BR2 Actuals)	Movement	Comments
East Waste Equity Loan	\$ 3,940.00	\$ 3,940.00	\$ 3,624.32	-\$ 315.68	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967.00	\$ 35,967.00	\$ 35,967.00	\$ -	
Collection Fees	\$ 344,860.00	\$ 403,360.00	\$ 397,397.35	\$ 52,537.35	
Green Organics Processing	\$ 36,507.00	\$ 36,507.00	\$ 34,787.00	-\$ 1,720.00	Charged at-cost to Council
At-call Hard Waste Collection	\$ 30,527.00	\$ -	\$ -	-\$ 30,527.00	Now included in Common Fleet Costing
Hard Waste Disposal Fees	\$ 9,638.00	\$ 9,638.00	\$ 9,638.00	\$ -	Charged at-cost to Council
Litter and Public Place Bin	\$ 27,973.00	\$ -	\$ -	-\$ 27,973.00	Now included in Common Fleet Costing
Projected Saving	\$ 489,412.00	\$ 489,412.00	\$ 481,413.67	-\$ 7,998.33	
F17 Operational Saving				\$ 14,081.54	Returned to Council in F18 (exists as reduced income to EW)
Recyclables Income	\$ 24,761.00	\$ 24,761.00	\$ 24,761.00	\$ -	
BDO Report Indicative Saving				\$ 6,612.00	

**EAST WASTE****PROJECTED STATEMENT OF COMPREHENSIVE INCOME (BUDGET)**  
for the Financial Year Ending 30 June 2018

<b>FY 2017 AUDITED ACTUALS \$'000</b>		<b>FY 2018 ADOPTED BUDGET \$'000</b>	<b>FY 2018 BR1 ADOPTED BUDGET \$'000</b>	<b>FY 2018 PROPOSED BUDGET \$'000</b>
	<b>INCOME</b>			
13,068	User Charges	13,283	13,899	13,849
30	Investment income	32	32	13
40	Grants, subsidies and contributions	-	15	15
408	Other	320	374	378
<b>13,546</b>	<b>TOTAL INCOME</b>	<b>13,635</b>	<b>14,319</b>	<b>14,254</b>
	<b>EXPENSES</b>			
5,164	Employee Costs	4,410	4,580	4,580
6,007	Materials, contracts & other expenses	6,870	7,534	7,486
332	Depreciation, amortisation & impairment	1,850	1,900	1,900
1,724	Finance costs	340	367	367
<b>13,227</b>	<b>TOTAL EXPENSES</b>	<b>13,470</b>	<b>14,382</b>	<b>14,333</b>
<b>319</b>	<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>165</b>	<b>(62)</b>	<b>(79)</b>
20	Asset disposals & fair value adjustments	20	20	-
<b>339</b>	<b>NET SURPLUS / (DEFICIT)</b>	<b>185</b>	<b>(42)</b>	<b>(79)</b>
-	Other Comprehensive Income	-	-	-
<b>339</b>	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>185</b>	<b>(42)</b>	<b>(79)</b>

**EAST WASTE**  
**PROJECTED BALANCE SHEET (BUDGET)**  
for the Financial Year Ending 30 June 2018

<b>FY 2017 AUDITED ACTUALS \$'000</b>		<b>FY 2018 ADOPTED BUDGET \$'000</b>	<b>FY 2018 BR1 ADOPTED BUDGET \$'000</b>	<b>FY 2018 PROPOSED BUDGET \$'000</b>
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
1,984	Cash & Cash Equivalents	1,747	2,443	2,478
412	Trade & Other Receivables	339	412	412
-	Other Financial Assets	-	-	-
2,396	<b>TOTAL CURRENT ASSETS</b>	2,086	2,855	2,890
<b>NON-CURRENT ASSETS</b>				
6,046	Infrastructure, Property, Plant & Equipment	5,408	6,142	6,047
6,046	<b>TOTAL NON-CURRENT ASSETS</b>	5,408	6,142	6,047
<b>8,442</b>	<b>TOTAL ASSETS</b>	<b>7,494</b>	<b>8,997</b>	<b>8,936</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
826	Trade & Other Payables	926	826	826
1,701	Borrowings	1,501	2,007	2,007
491	Provisions	635	574	574
3,018	<b>TOTAL CURRENT LIABILITIES</b>	3,062	3,407	3,407
<b>NON-CURRENT LIABILITIES</b>				
4,741	Borrowings	3,742	4,827	4,803
72	Provisions	111	72	72
4,813	<b>TOTAL NON-CURRENT LIABILITIES</b>	3,853	4,899	4,875
<b>7,831</b>	<b>TOTAL LIABILITIES</b>	<b>6,915</b>	<b>8,306</b>	<b>8,282</b>
<b>611</b>	<b>NET ASSETS</b>	<b>579</b>	<b>691</b>	<b>654</b>
<b>EQUITY</b>				
611	Accumulated Surplus	579	691	654
<b>611</b>	<b>TOTAL EQUITY</b>	<b>579</b>	<b>691</b>	<b>654</b>

**EAST WASTE****PROJECTED STATEMENT OF CASH FLOWS (BUDGET)**  
for the Financial Year Ending 30 June 2018

<b>FY 2017 AUDITED ACTUALS \$'000</b>		<b>FY 2018 ADOPTED BUDGET \$'000</b>	<b>FY 2018 BR1 ADOPTED BUDGET \$'000</b>	<b>FY 2018 PROPOSED BUDGET \$'000</b>
	<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	<b>RECEIPTS</b>			
13,465	Operating Receipts	14,964	15,716	15,666
28	Investment Receipts	32	32	13
	<b>PAYMENTS</b>			
(5,279)	Employee costs	(4,411)	(4,580)	(4,580)
(7,063)	Materials, contracts & other expenses	(8,148)	(8,880)	(8,826)
(320)	Interest Payments	(340)	(367)	(367)
831	<b>NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES</b>	2,097	1,921	1,905
	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
	<b>RECEIPTS</b>			
104	Sale of Replaced Assets	20	20	-
	<b>PAYMENTS</b>			
(2,522)	Expenditure on Renewal/Replaced Assets	(1,500)	(1,996)	(1,901)
-	Expenditure of New/Upgraded Assets	-	-	-
-	Distribution to Councils	-	-	-
(2,418)	<b>NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES</b>	(1,480)	(1,976)	(1,901)
	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
	<b>RECEIPTS</b>			
122	Capital Contributed by Member Councils	122	122	122
1,926	Proceeds from Borrowings	-	1,996	1,972
	<b>PAYMENTS</b>			
(1,275)	Repayment of Borrowings	(1,522)	(1,604)	(1,604)
773	<b>NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES</b>	(1,400)	514	490
(814)	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	(783)	459	494
2,798	<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	2,530	1,984	1,984
1,984	<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	1,747	2,443	2,478

**EAST WASTE****PROJECTED STATEMENT OF CHANGES IN EQUITY (BUDGET)**  
for the Financial Year Ending 30 June 2018

<b>FY 2017 AUDITED ACTUALS \$'000</b>		<b>FY 2018 ADOPTED BUDGET \$'000</b>	<b>FY 2018 BR1 ADOPTED BUDGET \$'000</b>	<b>FY 2018 PROPOSED BUDGET \$'000</b>
150	<b>BALANCE AT END OF PREVIOUS REPORTING PERIOD</b>	272	611	611
339	Net Surplus / (Deficit) for Year	185	(42)	(79)
122	Contributed Equity	122	122	122
-	Distribution to Councils	-	-	-
<b>611</b>	<b>BALANCE AT END OF REPORTING PERIOD</b>	<b>579</b>	<b>691</b>	<b>654</b>

## Attachment I

### EAST WASTE

PROJECTED UNIFORM PRESENTATION OF FINANCES STATEMENT (BUDGET)  
for the Financial Year Ending 30 June 2018

FY2017		FY 2018	FY 2018	FY 2018
AUDITED ACTUALS		ADOPTED BUDGET	BR1 ADOPTED BUDGET	PROPOSED BUDGET
\$'000		\$'000	\$'000	\$'000
13,546	Income	13,635	14,319	14,254
13,227	Expenses	13,470	14,382	14,333
<b>319</b>	<b>Operating Surplus / (Deficit)</b>	<b>165</b>	<b>(62)</b>	<b>(79)</b>
	<b>less Net Outlays on Existing Assets</b>			
2,522	Capital Expenditure on Renewal and Replacement of Existing Assets	1,500	1,996	1,901
(332)	Depreciation, Amortisation and Impairment	(1,850)	(1,900)	(1,900)
(104)	Proceeds from Sale of Replaced Assets	(20)	(20)	-
<b>2,086</b>		<b>(370)</b>	<b>76</b>	<b>1</b>
	<b>Less Net Outlays on New and Upgraded Assets</b>			
-	Capital Expenditure on New and Upgraded Assets	-	-	-
-	Amounts Specifically for New and Upgraded Assets	-	-	-
-	Proceeds from Sale of Surplus Assets	-	-	-
-		-	-	-
<b>(1,767)</b>	<b>NET LENDING / (BORROWING) FOR FINANCIAL YEAR</b>	<b>535</b>	<b>(139)</b>	<b>(80)</b>

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## 7.2: DRAFT ANNUAL PLAN 2018/19, BUDGET & KEY ASSUMPTIONS

**REPORT AUTHOR:** General Manager  
**ATTACHMENTS:** A: Draft Annual Plan 2018/19

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### Purpose of the Report

To seek the advice and input of the Board on the *East Waste Draft Annual Plan 2018/19*, the Draft 2018/19 Budget and the key assumptions used in the development of the documents and provide endorsement to allow the Plan to be distributed to Member Councils.

### Background

Section 51 of the Eastern Waste Management Authority Charter requires the Authority to have an Annual Plan which supports and informs its Budget. Following endorsement by the Board the plan will be distributed to Member Councils for their review prior to the mandated 31 May timeframe (Section 52.3 of the Charter).

Additionally Section 53 requires the Authority to advise Constituent Councils of proposed fees for the next financial year by April 1.

### Report

The *East Waste Draft Annual Plan 2018/19* (the Plan) has been developed in close alignment with the *East Waste Business Plan 2015-2024*. This deliberate move ensures that all of the 22 specifically identified actions align with one of the 5 Key Focus Areas. Importantly, the Plan has as a priority to complete all outstanding actions from previous years.

The Plan and budget have been developed with largely a business as usual approach to all key activities, albeit, continue to pursue 'gaps' in the existing Service Matrix.

With a focus on governance and increased education the Plan builds on the success and evolving maturity of East Waste in recent years. This focus however does not deviate from the principle goal of being the most efficient, effective and respected waste collection company within South Australia and as such pursuits to reduce operational expenditure and ensure East Waste is at the forefront of technology adoption will continue as a norm.

As defined in Section 52.2 of the Charter, East Waste must present the Annual Plan to the Constituent Councils for the purpose of obtaining their consent on or before 31 May each year. Subject to the Board endorsing the Annual Plan, the Plan and indicative fees (requirement of Section 53 of the Charter) will be distributed to Member Councils in early March. The General Manager will make himself available for questions and to attend each Member Council to discuss the Draft Annual Plan as required.

The Draft 2018/19 Budget (refer Attachments 1-9 within the Draft Annual Plan 2018/19) has been developed with reference to a number of key guiding documents and assumptions which are detailed below. The Draft 2018/19 Budget essentially presents a break even budget with only a \$2,800 operating surplus proposed, through an increase in Member Council collection fees (based on extrapolation of BR2) of 1.7%. Given the number of services, caution needs to be exercised in referencing the increase of 1.7% as due to the number of new services brought online and inclusion of street & reserve litter and hard waste collections into the common fleet costing, in the current financial year, it is difficult to accurately determine the 'true' percentage increase, year on year. This is seen to be very responsible with a significant actual increases in a number of key expense lines which East

Waste has little or no control over. These include projected increases in Wages and Salaries of \$212,000, Fuel and Oil of \$125,000 and Depreciation of \$114,000.

Key Guiding Documents:

- East Waste Business Plan 2015-2024;
- East Waste's Long Term Financial Plan;
- East Waste's Vehicle Asset Management Plan.

Key Assumptions:

- Business as usual approach to all key activities, albeit, continue to pursue 'gaps' in the existing Service Matrix.
- Extrapolation of all figures to account for a full 12 month of operating all existing services.
- As a general rule a 'tidy up' and consolidation of budget lines and activities has been undertaken to provide greater definition and transparency. This has resulted in number of activities which on the surface appear to have a significant variance in income/expenditure, and the renaming of activities to more accurately reflect the activity.

As an example 'Communications' has been renamed Education and now includes all costs associated with Community Education (this includes delivery costs associated with the 'Why Waste It?' Program and KESAB schools program). Previously this has been split across Communications, Promotions & Advertising, Printing, Stationery, Postage and Consulting. This will allow better tracking and reporting of the true costs associated with our Community education program (and other activities like it) across future years.

- Improved Common Fleet Integration. Improvements in technology and reporting capabilities of the GPS system which underpins the common fleet costing model utilised, has allowed East Waste to now accurately integrate all services – Household Waste collection, Recycling, Green Organics, Hard Rubbish and Street and Reserve Litter Collections. This has also seen the breakdown of charges for each stream more accurately apportioned, which has resulted in some significant shifts in the cost of services within Councils.
- The bottom tier rate of the recycling rebate has been utilised as a projection of income, however with the significant disruption and ongoing uncertainty in the global recycling market (refer Confidential Item 8.1), this remains a significant risk. With potential impacts of this on community recycling practices a 0% increase in collection volumes has been used.
- Similarly green organic tonnes have been modelled on a 0% collection increase, with the annual processing fee increment applied. Following a question at the Audit & Risk Management Committee this figure was reviewed and subsequently revised down. Previously an increase of 3% in volume (which is in line with the Long-term Financial Plan) was used.
- 5% increase in collection tonnes for Hard Waste (which is consistent with YTD tonnes) along with a 9% increase in waste disposal costs (accounting for average of the last 3 years gate fee increase and the EPA Landfill Levy increase of \$13 – increase from \$87/tonne to \$100/tonne).
- A 3% increase in wages. This is a conservative approach with the Driver's Enterprise Agreement to be renegotiated by September 2018. The Driver's currently make up approximately 75% of the total Wages & Salaries budget and historically their agreement has included a performance-based bonus.



- 
- Allowance of 5% increase in fuel and oil prices.
  - Proper treatment of Fringe Benefits Tax.
  - Increased focus on Education with an additional allowance allocated to improve waste and recycling messages and behaviour change.
  - Replacement of five (5) trucks as per the Vehicle Asset Management Plan.
  - Straight line Deprecation in accordance with the Long term Financial Plan

Following the Audit & Risk Management Committee meeting, a number of small errors were identified in the proposed 2018/19 budget. These have been corrected, but do not significantly change the budget and are noted below for transparency:

- The fixed Administrative Fee was incorrectly calculated at a higher rate as a result of the City of Prospect joining. This has been adjusted down to the correct level;
- Further common fleet data became available which allowed further refinement of the Common Fleet costing percentages, to be applied next financial year. As a result the Individual Member Cost allocations moved slightly (Note: the total Recoverable Amount did not alter);
- An additional \$25,000 was added to the 'Office Furniture & Minor Tools' Capital Budget to provide for anticipated storage requirements of Annual Plan Action G2. – *Implementation of a compliant Records Management System.*

Through the development of the 2018/19 Draft Budget, Executive staff have questioned the merits of the Administration Charge (\$215,800), which appears as an income activity under Waste Collection Income. The Charge which is split equally across the seven Member Councils (not apportioned on Common Fleet Costing percentage) is understood to be a relic Administration Charge, which for reasons unknown has not kept pace with the true Administrative Costs of the Organisation. As per the Profit and Loss Statement (Refer Attachment A) the true Administrative Cost of East Waste is \$1,300,900. Greater analysis of this charge and the merits of apportioning the costs needs to be undertaken. Executive staff propose to continue the traditional treatment of the charge, that is apply no increase to the charge and apply the same treatment to the break-up of the charge for the 2018/19 Financial Year.

This is by no means a palatable solution long term, so to add even further definition and transparency to the East Waste financials it is proposed that over the coming nine months East Waste develop a Budget Framework which fully documents the treatment of all income and expenditure. This will make clear all charges and the origins of them.

In relation to the non-operating budget, it is proposed that for the 2018/19 Financial Year the Highbury Loan contribution (total of \$122,018) is funded through East Waste's existing cash reserves. Historically this has been a charge on top of Member Council Collection Fees, based on Common Fleet percentages. East Waste currently has just under \$2,000,000 of cash reserve and is forecast to have \$2,567,000 (not including current liabilities) at the end of 2018/19. With no defined plan for the expenditure of the cash reserves it makes financial sense to provide Member Councils with some small financial relief, by reducing this reserve by less than a projected 5%.

This option was discussed at the Audit & Risk Management Committee meeting on 13 February 2018 and while a number of views were shared, they did not form a view on the merits of the option and the consensus of the meeting was that it was a more appropriate decision for the Board.

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Overall the proposed 2018/19 budget continues the recent East Waste trend of refining and reducing waste collection costs through diligent and frugal management of resources. Increases continue to be equal or lower than CPI and the Local Government Price Index which ultimately can give the Audit and Risk Management Committee, Board Members and Member Councils confidence in the efficiency and effectiveness of the operations and longer term viability as a subsidiary.

#### **RECOMMENDATION**

**That the Board:**

- 1. Endorse the Annual Plan 2018/19 and associated draft budget and proposed Member Council Fees;**
- 2. Directs the General Manager to establish a Budget Framework by November 2018, in order to provide even greater definition and transparency;**
- 3. Supports the use of existing cash reserves to fund the Highbury Landfill Loan amount of \$122,018 in 2018/19, in order to provide a small financial relief to Member Councils.**
- 4. Authorise the General Manager to distribute to each Member Council for review and comment, the *Draft Annual Plan 2018/19*, as presented in Attachment A, along with the proposed fees.**

# EastWaste



## Annual Plan 2018/2019

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# Introduction

East Waste is the trading name of Eastern Waste Management Authority, which was established in 1928. The Authority is a regional subsidiary of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Norwood, Payneham & St Peters, City of Mitcham, City of Prospect and Town of Walkerville. East Waste is governed by a Charter pursuant to Section 43 of the Local Government Act 1999 (the Charter) and administered by a Board, which includes a director appointed by each Council and an Independent Chair.

Clause 51 of the Charter requires the Authority each year to have an Annual Plan which supports and informs the budget. Specifically it is to include an outline of East Waste's objectives, the activities intended to be pursued, and the measurement tools defined to assess performance. It must also assess and summarise the financial requirements of East Waste, and set out the proposals to recover overheads and costs from the Member Councils.

The *Draft Annual Plan 2018/19* is to be read in conjunction with East Waste's broader strategic planning framework including the *10 Year Business Plan 2015 - 2024*, Asset Management Plan and Long Term Financial Plan, and Risk Management Planning Framework.

The *Draft Annual Plan 2018/19* builds on the recent success of East Waste in delivering waste collection logistics and education and documents the objectives, activities, financial requirements and metrics of East Waste to ensure continued collection and management of waste, organics, and recycling for Member Councils in a sustainable, efficient, and competitive manner.

The 10 Year Business Plan sets out five (5) Key Focus Areas for the activities of East Waste. These are listed in Table 1 and subsequently the activities to be undertaken by East Waste in the coming year to work toward achieving these are detailed further in the document.

**Table 1: East Waste Business Plan 2015 -2024 Key Focus Areas**

Business Plan Key Areas	Included Items
<b>Governance</b>	<ul style="list-style-type: none"><li>• Organisational Structure</li><li>• Collective Workplace Agreement</li><li>• Risk Management</li><li>• Market Evaluation</li></ul>
<b>Operational Management</b>	<ul style="list-style-type: none"><li>• Enhanced Service Offerings</li><li>• Service Level Agreements</li><li>• Key Performance Indicators</li><li>• Operational Committee</li><li>• Recycling and Disposal Contracts</li><li>• Additional Customer Offerings and Flexibility</li><li>• Asset Management</li></ul>
<b>Communication</b>	<ul style="list-style-type: none"><li>• Customer Service</li><li>• Community Waste and Recycling Education</li></ul>
<b>Workplace Health and Safety</b>	<ul style="list-style-type: none"><li>• Health and Safety</li><li>• Vehicle Safety</li></ul>
<b>Financial Management and Performance</b>	<ul style="list-style-type: none"><li>• Budget Forecasting and Reporting Timeframes</li><li>• Long Term Financial Plan</li></ul>

## Delivery

Appendix 2 of the *10 Year Business Plan 2015-2024* sets out a 10 Year Action Summary, with key tasks to ensure delivery of the Plan listed. Table 2 presents the Action Summary with an update on the activities - those completed are shaded Green and those outstanding are shaded Red. This Plan is scheduled to deliver on Year 5 (2019) actions however it will also be a focus of the Annual Plan 2018/19 to complete all outstanding actions as a priority.

As part of a broader plan to maximise the efficiency of assets and resources, East Waste has taken on a number of new services in recent time and also expanded its service offerings. Most notably the City of Prospect joined East Waste as a Member Council in September 2017. The range of services currently provided to Member Councils is detailed in Table 3. East Waste currently does not provide any non-core activities to non-Member Councils or Organisations.

Other key activities for delivery in 2018/19 are detailed on the following pages against the *10 Year Business Plan 2015-2024* Key Focus Areas.

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**Table 2: East Waste Business Plan 2015 -2024 Action Summary**

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

**Table 3: East Waste Service Offering to Member Councils**

	Service Offerings (as at 1 January 2018)																		
	Field Services								Procurement & Contract Management					Customer Service		Innovation		Education and Marketing	
Council	Weekly collection of waste	Fortnightly collection of Recyclables	Fortnightly collection of Organics	Hard Waste Collection	Street & Reserve Litter Collection	MUD/Bulk Bin Collections	Bin Repairs/Maintenance/Replacements	Depot Cardboard & Paper Recycling	MGB Procurement	Kitchen Caddy and BioBag Procurement	Dog Poo Bag Procurement	Recyclables Contract	Organics Contract	Customer Service	Second Bin Permits	GPS tracking	RFID tracking	Education and Promotion	Personalised Truck Advertising
Adelaide Hills Council	x	x	x	x	x		x		x			x	x	x		x		x	x
City of Burnside	x	x	x	x				x	x			x	x	x	x	x	x	x	
City of Campbelltown	x	x	x	x	x		x		x		x	x	x	x		x		x	
City of Mitcham		x	x	x			x		x			x	x	x		x		x	
City of NPSP	x	x	x	x	x	x	x	x	x			x	x	x		x		x	
Corp Town of Walkerville	x	x	x	x	x		x	N/A	x			x	x	x	x	x		x	
City of Prospect	x	x	x	x	x				x	x	x	x	x	x	x	x	x	x	



# Governance

## G1. Collective Workplace Agreement

Since at least 2003 the employment conditions of Collection Vehicle Operators (inclusive of Robotic Arm Collection Vehicles and Rear Loader) has been in accordance with a Collective Workplace Agreement. The current Agreement expires on 31 August 2018 and therefore requires renegotiation. With the existing Agreement containing a number of outdated clauses and critical omissions, extensive resources will be required to develop a new mutually acceptable agreement.

Remaining East Waste staff are employed directly against the South Australian Municipal Salaried Officers Award, Local Government Employees Award or are on Individual Contracts and are not directly affected by these negotiations.

## G2. Implementation of a compliant Records Management System

East Waste currently maintains all hard copy files on site, with electronic records now backed up nightly on cloud storage since the implementation of an ICT upgrade in mid-2017. In order to be compliant with our requirements against the *State Records Act 1997*, a system and process for the storage of hard copy files needs to be implemented and the storage of electronic files refined (eg. Implementation of a consistent file naming convention). As well as ensuring appropriate conformance, significant future time savings will occur when documents are required to be sourced.

## G3. Review all Policies and Procedures

Significant advances in the development of Policies and Procedures has occurred at East Waste over the past 2-3 years to ensure improved governance, WHS practices, consistency, efficiency and operational delivery. An internal review of all Policies and Procedures will ensure these remain relevant, up to date and are included on a Policy and Procedures Register, which will be created as part of this work.

## G4. Implementation of 2017 Risk Assessment, Payroll & Accounts Payable Actions

In late 2017 East Waste voluntarily underwent a Local Government Association Risk Evaluation which Audited East Waste's Work, Health & Safety (WHS), Injury Management (IM) and Risk Management (RM) systems. Pleasingly, and testament to the Organisation's Governance improvement and credentials, a high level of conformance was achieved ensuring a 100% rebate. The audit however identified a number of areas for improvement and implementation of these which will ensure East Waste continues to match industry best standards in the above-mentioned areas.

Additionally, an Independent Payroll and Accounts Payable audit, identified a number of actions to improve the consistency and controls in these areas. Implementation Plans will be established to ensure all actions are delivered in a responsive and timely matter for the betterment of the business.

# Operational Management

## OM1. Continue & Expand Existing Core Services

East Waste will continue to pursue a complete suite of service offerings to all Member Councils. Where gaps exist with the current service offerings (refer Table 3) East Waste will work with the respective Council(s) to provide business case(s) for a superior and financially more efficient service. Ultimately this will be undertaken with a goal of ensuring all assets and resources are fully utilised, however where required additional resources and/or vehicles will be procured to meet service demand.

## OM2. Develop Service Level Agreements for all Councils & Services

This is an outstanding Action from Year 1 of *East Waste's 10 Year Business Plan 2015-2024* (refer Action 4). A full Service Level Agreement (SLA) currently exists with the City of Burnside and Adelaide Hills Council, while some other Member Councils have one enacted for specific services.

SLAs will be established for all Member Councils, encapsulating all services and documenting performance and reporting requirements as well as the idiosyncrasies required to deliver common services across spatially diverse Councils. A review of the City of Burnside and Adelaide Hills Council SLA will also be undertaken to ensure they remain relevant and consistent.

## OM3. Establish Key Performance Indicators and Reporting Framework (A2 + A5)

This is largely an outstanding Action from Year 1 of *East Waste's 10 Year Business Plan 2015-2024* (refer Action 2 and Action 5). While work has previously been undertaken in this field and Councils currently receive regular reports, the nature of this reporting is disjointed, does not reflect Service Level Agreement (SLAs) requirements and could be significantly improved to provide a superior product.

As a first step, Key Performance Indicators will be established out of the SLAs and with the Board at an Organisational Level. Utilising these and other reporting metrics, a consistent, detailed reporting system is proposed to be established, from the rich pool of data which East Waste currently has. Additionally it is envisaged this information would be aggregated for the benefit of organisational performance monitoring and decision making by the Audit & Risk Management Committee and Board. This process would include extensive consultation with the key stakeholder groups to ensure the products delivered are mutually beneficial.

## OM4. China Sword: Local Government Response & Opportunities

All evidence suggests the impacts of the global downturn in the recycling markets are yet to be fully realised at a local level here within South Australia. As a generalisation the Australian (kerbside) recycling market has been built upon providing a commodity for sale and with this market now drastically contracted and not matching the benefits previously realised, alternate uses and markets need to be sourced. Local Government through the kerbside collection is a significant contributor to recycling volumes, particularly in plastics, paper and cardboard, and in order to ensure recycling remains viable, generating and/or supporting local initiatives which enhance recycled products (or have a component of), is critical. Through the establishment of localised circular economies long-term sustainability can be achieved and market fluctuations tempered.

East Waste as a Council subsidiary and through our education program has a number of potential avenues for involvement and/or influence in this space. Our activity in this space will largely be guided by future industry and Government actions, but regardless of these it is important East Waste is agile and adaptable to respond on behalf of Member Councils.

## OM5. Alternate Fuels/Power Option

The East Waste *Annual Plan 2017/18* included an action to have a detailed investigation into transforming the fleet to High Density Compressed Natural Gas (refer Action 3.2.1), following some encouraging preliminary results. Additionally Action 3.2.6 sought the procurement of a generator to call upon during blackouts and enable East Waste to continue frontline communications and office activities.

Since this proposal the State Government has (arguably) improved the reliability of power supply, which calls into question the longer-term value of purchasing an expensive generator, sufficient in size to power Depot Operations, for what is likely to only be required for 3-6 hours per year. Additionally, advances in alternate truck fuels has rapidly progressed, to a point where 100% electric residual waste collection trucks are now a real and potential option. There are a small number currently operating within New Zealand (built by an Australian manufacturer) in like environments and an investigation into their local applicability is warranted.

Given both of the points above it is proposed to undertake a holistic investigation into the generation and local storage of power (ie solar/wind system with battery back-up) and ability to use all or some of this system to power a suite of electric-powered vehicles. In simple terms it is proposed that East Waste could power itself via renewable energy throughout the day (resulting in long-term electricity savings and reduced carbon footprint), with excess power stored in batteries to be drawn upon at night for the charging of a collection vehicle(s) and to provide an uninterrupted power supply during times of mains power loss. Of benefit, as the vast majority of the infrastructure required for this is temporary or easily relocatable, it does not tie East Waste to a long term rental deal in the existing location to justify life-cycle costs.

## OM6. Purchase of replacement RACVs

In line with the East Waste's Vehicle Asset Register, five (5) collection vehicles are due to be replaced in the 2018/19 Financial Year. Replacement of five, will ensure no collection vehicle is greater than seven (7) years old and assist with the delivery of seamless service and minimal lost time due to breakdowns and maintenance costs. Additionally these purchases will upgrade the technological capabilities of the existing fleet, as they will be fitted standard with RFID readers and additional cameras, which the oldest trucks in the fleet do not have. With the current contract expiring in June 2018, it is proposed at this stage to undertake another multi-year tender for the supply of Cab Chassis and Compactors. The feasibility of OM5 will be factored into this. Contract maintenance is not expected to form part of the procurement.

## OM7. Waste Disposal Opportunities

This is an outstanding Action from Year 4 (2018) of *East Waste's 10 Year Business Plan 2015-2024* (refer Action 8). Currently Member Councils individually hold waste disposal contracts, unlike Green Organics Disposal and Recycling, which is managed under a head contract by East Waste. With the expiration of a number of contracts occurring in early 2018, some preliminary work was undertaken in late 2017 to determine the appetite of commencing work towards a common waste disposal agreement. This preliminary work identified that as a collective of Councils, waste disposal tonnes are significant and savings could be realised with the buy-in of all, however, due to a number of factors (eg. Timing and potentially new waste treatment options on the horizon) the timing was not right for progression.

In order for East Waste to better position itself and provide Member Councils with information well in advance of the next opportunity (circa 2021-2022), it is proposed to undertake a preliminary Business Case around a joint waste collection contract.

## OM8. Review Feasibility of Bin Sensor technology

As part of its technology and innovation advancements, East Waste has partnered with a Company to trial the use of bin capacity sensors, with a view to minimising over-servicing of street and reserve litter bins, ultimately aiming to improve the efficiency of our service. Sensors have been placed across four Councils as a trial (Adelaide Hills-50, Campbelltown-41, Walkerville-8 and Burnside-4) and towards the end of the

2018 calendar year there will be sufficient data to determine their value and merits for retention and/or expansion.

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## Communication

As shown in Table 2, *East Waste's 10 Year Business Plan 2015-2024* identifies the need to undertake an employee satisfaction survey annually (refer Action 10). This has previously been deemed as excessive and is now undertaken on a biennial basis in conjunction with the Customer Satisfaction Survey (efficiencies are derived by running the two jointly). The surveys will next be undertaken in the second half of 2019 (2019/2020 Financial Year).

### C1. Continued implementation of 'Why Waste It?' Educational Program

The 'Why Waste It?' campaign has been a highly successful base educational and exposure campaign across Member Councils. Incorporating the 'Which Bin' website and My Local Services App, spotlight on waste messaging service, it provides a strong and valuable base educational message and reminder service. Over the past 12 months the offerings under this program have expanded to include educational stalls and bin labelling at community events.

To continue to drive the community towards reducing waste to landfill and minimisation of recycling contamination, both of which have significant financial and environmental implications for Member Councils, it is critical for the community messaging to remain. Continued partnering with the Local Government Association and improvement of the *My Local Services* App in the 2018/19 financial year, will see targeted bin messaging and reminders pushed out that can also be responsive to changes in the collection cycle (eg. Public Holidays, Catastrophic Fire Ban Days).

School Programs will continue to be run through the well-received and highly successful KESAB Wipe Out Waste and *Litter Less* Programs.

### C2. Pilot Education Program focussing on greater utilisation and integration of RFID technology

East Waste and specific Member Councils have invested heavily in the application of technology advancements in recent years, most notably RFID technology and bin weighing scales. Coupled with our GPS tracking capabilities, a wealth of data now exists that can drive new and alternative behaviour change programs.

Work will be undertaken in the coming year to determine the best way to progress with this information to derive real behaviour change within our communities and ultimately develop a program to be delivered across multiple years. Part of this work will be identifying potential partners and additional funding sources. Should time, funding and the program permit, a pilot program will be delivered.

In the event this investigation doesn't lead to the development of a longer-term tangible behaviour change program, resources will be invested to identify and scope such a program.

### C3. Present benefits of East Waste Customer Service Software

This is an outstanding Action from Year 3 (2017) of *East Waste's 10 Year Business Plan 2015-2024* (refer Action 9), principally due to an evolution of East Waste's preferred Customer Service software. Prior to the end of the 2017/18 financial year, East Waste will move completely to *Waste Track II* which will see both the GPS and Customer Service system integrated into one. Following a bedding down of this, the software and capabilities will be demonstrated to Member Councils and where advantageous integrations explored.

### C4. Undertake a Customer Service Improvement Program

As part of East Waste's ongoing service improvement, it is proposed to invest time and resources into advancing the quality and consistency of Customer Service across the Organisation. This will involve customer service training, establishment of agreed 'one-way, same-way' processes and the refinement of scripts and procedures to ensure repeatable quality. While principally focussed on the Administrative staff, it is envisaged it will rolled out to all customer-facing staff.

# Workplace Health & Safety

## WS1. Independent Truck Fleet Audit (A16)

An annual requirement of *East Waste's 10 Year Business Plan 2015-2024 (refer Action 16)*, the independent truck audit provides invaluable mechanical information and peace of mind around the integrity and operational conformance of all collection vehicles. Pleasingly the most recent audit undertaken in September 2017, found very few faults, which is reflective of the quality of mechanics and operational oversight of the workshop within the last 12 months.

Additional benefits of the program include, reducing downtime (faults identified before they become an issue) and a contributing factor towards being an employer of choice for Drivers (the additional safety factor is well regarded).

## WS2. Refinement of Hazard & Risk Register

Identified out of the 2017 Risk Management Audit, both the Hazard Register and Risk register need to be reviewed and updated. While there is some linkage between the two documents, they are largely independent pieces of work. It is envisaged the updating of the registers will be undertaken internally and will ensure East Waste continues to manage its risks in a responsive and proactive manner. This work will also provide a very solid basis for the Local Government Risk Services (LGRS) requirements.

## WS3. Establishment of more detailed reporting and trends of Incidents

This piece of work will be undertaken in conjunction with OM3 and ultimately will enable East Waste to better manage and target staff education in response to data trends. East Waste has implemented the LGRS's preferred WHS and risk management software tool, Skytrust, and while there are a number of shortcomings with the product, East Waste will have a concerted focus on the reporting functions.

This will involve feeding into Audit and Risk Management and Board reporting (OM3) as well as importantly, internal reviews and the guiding of future management strategies and staff training and development.

# Financial Management & Performance

## FM1. Establishment of Budget Framework

Preliminary development of the 2018/19 budget identified a number of areas where greater clarity and transparency is required and can be provided. Some of this work relates to historical interpretations along with an evolution of the business and the activities and coding of financial information not keeping up-to-date.

The Financial statements and existing processes meet all current day Financial, auditing and legislative requirements, however to enable better tracking into the future and provide greater clarity, it is proposed to establish a Budget Framework which will further enhance the integrity of East Waste's finances.

## FM2. Review of 10Yr Business Plan

This presents as a carryover function from the current financial year (refer *Annual Plan 2017/18 Action 3.4.5*). With a change of key Executive staff this action has not progressed and it has been determined that it is more appropriate to review the strategic intent and direction of the Organisation. A strategic workshop will be held with the Board prior to the commencement of the Financial Year, with the detailed review of the 10Yr Business Plan to follow. It is envisaged the review will follow the same process as outlined in the *Annual Plan 2017/18 (3.4.5)*, that is, commencing with extensive consultation with Member Councils and identified stakeholders.

## FM3. Procurement of Kitchen Caddies & Biobags

All Council's currently include Kitchen Caddies and biobags as part of their service provisions to residents and this is predominately managed by individual Councils. Similar to the Mobile Garbage Bin (MGB) head contract that East Waste holds, it is envisaged savings can be derived for Councils by aggregating purchases of uniformed products under a single contract. This consolidation would also aid in the delivery of education programs and messaging across Member Councils. In addition to financial savings, a review of the storage and delivery requirements by Member Councils would be undertaken in a bid to derive non-financial benefits and improved service delivery.



# Performance Metrics

**Table 4: Summary of Activities and Performance Metrics**

Activity Code	Activity	10YR Business Plan Link	Metric
G1	Collective Workplace Agreement	2.3.2	Commission Approved Enterprise Agreement by 30 August 2018
G2	Implementation of a compliant Records Management System	2.3	<i>State Records Act 1997</i> Compliant Records Management System integrated into business activities
G3	Review all Policies & Procedures	2.3	Up to date Policies & Procedures Register
G4	Implementation of 2017 Risk, Payroll & Accounts Payable Actions	2.3.3	All actions addressed
OM1	Continue & Expand Existing Core Services	1.3, 2.4.1	Expansion of existing Service Provisions
OM2	Develop Service Level Agreements for all Councils & Services	2.4.2	Implementation of 7 full Member Council Service Level Agreements
OM3	Establish Key Performance Indicators and Reporting Framework	2.4.3	Suite of KPIs and reporting framework established
OM4	China Sword: Local Government Response & Opportunities	2.4.5	Range of opportunities identified and updates provided to Board
OM5	Alternate Fuels/Power Option	2.4.7.1.	Report identifying preferred options and costing
OM6	Purchase of replacement RACVs	2.4.7	Purchase of replacement vehicles in accord with AMP
OM7	Waste Disposal Opportunities	2.4.5	Business case presented to Board
OM8	Review Feasibility of Bin Sensor technology	2.4.6.4	Feasibility Report Undertaken
C1	Continued implementation of 'Why Waste It?' Program	2.5.2	Rollout of Why Waste It Campaign
C2	Pilot Education Program focussing on Greater utilisation and integration of RFID technology	2.5.2	Development and implementation of pilot Behaviour change program
C3	Present benefits of EW Customer Service Software	2.5.1	Presentation to key Member Council staff
C4	Undertake a Customer Service Improvement Program	2.5.2	Implementation of formalised systems and processes to deliver consistent messaging
WS1	Independent Truck Fleet Audit	2.6.2	All trucks audited and identified issues corrected
WS2	Refinement of Hazard & Risk Register	2.6	Revised and up to date Risk and Hazard Registers
WS3	Establishment of more detailed reporting and trends of Incidents	2.6.1	Suite of KPIs and reporting framework established
FM1	Establishment of Budget Framework	2.7.1	Endorsed Budget Framework ready for F20
FM2	Review of 10Yr Business Plan	10 Y BP	Endorsed 10 Year Plan
FM3	Procurement of Kitchen Caddies & Biobags	2.41.	Compliant contract established



## Budget Management

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

The budget to deliver this Annual Plan, along with all of East Waste's Services and legislative requirements is detailed in the following proposed 2018/19 Financial Papers (refer Attachment 1 – 9).

Following on from this Attachments 10-16 detail the proposed 2018/19 Member Council Fees. With the City of Prospect joining in September 2017 and the inclusion of rear loader activities (street and reserve litter collection and hard waste collection) now incorporated into the Common Fleet costings it makes it challenging to provide an accurate 'apples for apples' assessment across all Councils of the fee increase. The total additional amount to be recovered from Member Councils in the 2018/19 financial year, compared to the revised BR2 budget forecast is \$429,036. This represents an overall increase in fees of 3.77%. The BR2 figure however does not account for a full year of servicing the City of Prospect (only nine months), so when this is extrapolated the increase in fees is 1.73%.

The addition of servicing the City of Prospect and the inclusion of rear loader activities (street and reserve litter collection and hard waste collection) also further adjust the common fleet percentages of all Member Councils, further changing the year to year impact.

## Attachment 4

### EAST WASTE

#### COMMON FLEET COSTING WORKSHEET (BUDGET) for the Financial Year Ending 30 June 2019

	FY2018 \$ PROPOSED BUDGET - BR2	FY2019 \$ PROPOSED BUDGET
Total Waste Collection Costs	10,139,765	10,514,879
Total Administrative & Corporate Overhead Costs	1,246,978	1,300,900
<b>Total Expenses Per Profit &amp; Loss</b>	<b>11,386,743</b>	<b>11,815,779</b>
<b>Less: Member Council Non-Collection Income</b>		
Administration Income	-	-
<b>Total Recoverable Collection Costs - Member Councils</b>	<b>11,386,743</b>	<b>11,815,779</b>
<i>Add: Additional Charges - Board Approved Surplus Charges</i>	-	-
<b>Total Recoverable Collection Costs - Member Councils</b>	<b>11,386,743</b>	<b>11,815,779</b>

Member Council	C&T %	Estimated Costs to be Allocated	FY2018 Proposed Budget (BR2)	Estimated Movement
Adelaide Hills Council	22.65%	2,676,274	2,598,455	77,819
City of Burnside	16.72%	1,975,598	1,951,688	23,910
Campbelltown City Council	19.24%	2,273,356	2,226,108	47,248
City of Mitcham	14.41%	1,702,654	1,643,107	59,547
City of Norwood Payneham & St Peters	16.21%	1,915,338	1,884,506	30,832
City of Prospect	7.29%	861,370	685,482	175,888
Corporation Town of Walkerville	3.48%	411,189	397,397	13,792
<b>Total</b>		<b>11,815,779</b>	<b>11,386,743</b>	<b>429,036</b>

## Attachment 5

**EAST WASTE****PROJECTED STATEMENT OF COMPREHENSIVE INCOME (BUDGET)**  
for the Financial Year Ending 30 June 2019

<b>FY 2017 AUDITED ACTUALS \$'000</b>		<b>FY 2018 PROPOSED BR2 \$'000</b>	<b>FY 2019 PROPOSED BUDGET \$'000</b>
	<b>INCOME</b>		
13,068	User Charges	13,849	14,089
30	Investment income	13	30
40	Grants, subsidies and contributions	15	4
408	Other	378	677
<b>13,546</b>	<b>TOTAL INCOME</b>	<b>14,254</b>	<b>14,799</b>
	<b>EXPENSES</b>		
5,164	Employee Costs	4,580	4,814
6,007	Materials, contracts & other expenses	7,486	7,575
332	Depreciation, amortisation & impairment	1,900	2,043
1,724	Finance costs	367	385
<b>13,227</b>	<b>TOTAL EXPENSES</b>	<b>14,333</b>	<b>14,817</b>
<u>319</u>	<b>OPERATING SURPLUS / (DEFICIT)</b>	<u>(79)</u>	<u>(17)</u>
20	Asset disposals & fair value adjustments	-	20
<u><b>339</b></u>	<b>NET SURPLUS / (DEFICIT)</b>	<u>(79)</u>	<u>3</u>
-	Other Comprehensive Income	-	-
<u><b>339</b></u>	<b>TOTAL COMPREHENSIVE INCOME</b>	<u>(79)</u>	<u>3</u>

## Attachment 6

**EAST WASTE****PROJECTED BALANCE SHEET (BUDGET)**  
for the Financial Year Ending 30 June 2019

<b>FY 2017 AUDITED ACTUALS \$'000</b>		<b>FY 2018 PROPOSED BR2 \$'000</b>	<b>FY 2019 PROPOSED BUDGET \$'000</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
1,984	Cash & Cash Equivalents	2,478	2,544
412	Trade & Other Receivables	411	411
-	Other Financial Assets	-	-
2,396	<b>TOTAL CURRENT ASSETS</b>	<b>2,889</b>	<b>2,955</b>
<b>NON-CURRENT ASSETS</b>			
6,046	Infrastructure, Property, Plant & Equipment	6,047	5,947
6,046	<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,047</b>	<b>5,947</b>
<b>8,442</b>	<b>TOTAL ASSETS</b>	<b>8,936</b>	<b>8,901</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
826	Trade & Other Payables	826	826
1,701	Borrowings	2,007	2,077
491	Provisions	574	574
3,018	<b>TOTAL CURRENT LIABILITIES</b>	<b>3,407</b>	<b>3,477</b>
<b>NON-CURRENT LIABILITIES</b>			
4,741	Borrowings	4,803	4,616
72	Provisions	72	72
4,813	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,875</b>	<b>4,688</b>
<b>7,831</b>	<b>TOTAL LIABILITIES</b>	<b>8,282</b>	<b>8,165</b>
<b>611</b>	<b>NET ASSETS</b>	<b>654</b>	<b>736</b>
<b>EQUITY</b>			
611	Accumulated Surplus	654	736
<b>611</b>	<b>TOTAL EQUITY</b>	<b>654</b>	<b>736</b>

**EAST WASTE****PROJECTED STATEMENT OF CASH FLOWS (BUDGET)**  
for the Financial Year Ending 30 June 2019

<b>FY 2017 AUDITED ACTUALS \$'000</b>		<b>FY 2018 PROPOSED BR2 \$'000</b>	<b>FY 2019 PROPOSED BUDGET \$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
13,465	Operating Receipts	15,666	16,246
28	Investment Receipts	13	30
<b>PAYMENTS</b>			
(5,279)	Employee costs	(4,580)	(4,814)
(7,063)	Materials, contracts & other expenses	(8,826)	(8,972)
(320)	Interest Payments	(367)	(385)
831	<b>NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES</b>	1,905	2,105
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>RECEIPTS</b>			
104	Sale of Replaced Assets	-	20
<b>PAYMENTS</b>			
(2,522)	Expenditure on Renewal/Replaced Assets	(1,901)	(1,942)
-	Expenditure of New/Upgraded Assets	-	-
-	Distribution to Councils	-	-
(2,418)	<b>NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES</b>	(1,901)	(1,922)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>RECEIPTS</b>			
122	Capital Contributed by Member Councils	122	-
1,926	Proceeds from Borrowings	1,972	1,890
<b>PAYMENTS</b>			
(1,275)	Repayment of Borrowings	(1,604)	(2,007)
773	<b>NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES</b>	490	(117)
(814)	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	494	66
2,798	<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	1,984	2,478
1,984	<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	2,478	2,544

Attachment 8

**EAST WASTE**

**PROJECTED STATEMENT OF CHANGES IN EQUITY (BUDGET)**  
for the Financial Year Ending 30 June 2019

<b>FY 2017 AUDITED ACTUALS \$</b>		<b>FY 2018 PROPOSED BR2 \$'000</b>	<b>FY 2019 PROPOSED BUDGET \$'000</b>
150	<b>BALANCE AT END OF PREVIOUS REPORTING PERIOD</b>	611	611
339	Net Surplus / (Deficit) for Year	(79)	3
122	Contributed Equity	122	122
-	Distribution to Councils	-	-
<b>611</b>	<b>BALANCE AT END OF REPORTING PERIOD</b>	<b>654</b>	<b>736</b>

## Attachment 9

**EAST WASTE****PROJECTED UNIFORM PRESENTATION OF FINANCES STATEMENT (BUDGET)**  
for the Financial Year Ending 30 June 2019

<b>FY2017</b>		<b>FY 2018</b>	<b>FY 2018</b>
<b>AUDITED ACTUALS</b>		<b>PROPOSED BR2</b>	<b>PROPOSED BUDGET</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
13,546	Income	14,254	14,799
13,227	Expenses	14,333	14,817
<u>319</u>	<b>Operating Surplus / (Deficit)</b>	<u>(79)</u>	<u>(17)</u>
	<b>less Net Outlays on Existing Assets</b>		
2,522	Capital Expenditure on Renewal and Replacement of Existing Assets	1,901	1,942
(332)	Depreciation, Amortisation and Impairment	(1,900)	(2,043)
(104)	Proceeds from Sale of Replaced Assets	-	(20)
<u>2,086</u>		<u>1</u>	<u>(121)</u>
	<b>Less Net Outlays on New and Upgraded Assets</b>		
-	Capital Expenditure on New and Upgraded Assets	-	-
-	Amounts Specifically for New and Upgraded Assets	-	-
-	Proceeds from Sale of Surplus Assets	-	-
<u>(1,767)</u>	<b>NET LENDING / (BORROWING) FOR FINANCIAL YEAR</b>	<u>(80)</u>	<u>103</u>

## Attachment 10

DRAFT Member Council Fees 2018/19				
Adelaide Hills Council	Adopted 2017/2018 Fees	Draft Budget 2018/19	Movement	Comments
East Waste Equity Loan	\$ 18,140.00	\$ 16,685.32	-\$ 1,454.68	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967.00	\$ 30,828.57	-\$ 5,138.43	Reduction due to City of Prospect inclusion
Collection Fees	\$ 2,658,255.00	\$ 2,676,273.94	\$ 18,018.94	
Green Organics Processing	\$ 125,724.00	\$ 120,322.33	-\$ 5,401.67	Charged at-cost to Council
Hard Waste Disposal Fees	\$ 27,093.00	\$ 18,594.08	-\$ 8,498.93	Charged at-cost to Council
Bin Finance	\$ 64,578.00	\$ 64,578.00	\$ -	Charged at-cost to Council
Waste Costs Sub Total	<b>\$ 2,929,757.00</b>	<b>\$ 2,927,282.24</b>	<b>-\$ 2,474.76</b>	
Recyclables Income	\$ 126,674.00	\$ 110,654.00	-\$ 16,020.00	Subject to contamination rate



Attachment 11

DRAFT Member Council Fees 2018/19				
City of Burnside	Adopted 2017/2018 Fees	Draft Budget 2018/19	Movement	Comments
East Waste Equity Loan	\$23,065	\$ 21,207	-\$ 1,858	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967	\$ 30,828.57	-\$ 5,138	Reduction due to City of Prospect inclusion
Collection Fees	\$ 1,921,222	\$ 1,975,598	\$ 54,376	
Green Organics Processing	\$ 222,013	\$ 228,225	\$ 6,212	Charged at-cost to Council
Hard Waste Disposal Fees	\$ 59,909	\$ 69,632	\$ 9,723	Charged at-cost to Council
Waste Costs Sub Total	<b>\$ 2,262,176</b>	<b>\$ 2,325,490</b>	<b>\$ 63,314</b>	
Recyclables Income	\$ 151,056	\$ 123,739	-\$ 27,318	Subject to contamination rate

## Attachment 12

DRAFT Member Council Fees 2018/19				
Campbelltown City Council	Adopted 2017/2018 Fees	Draft Budget 2018/19	Movement	Comments
East Waste Equity Loan	\$ 24,195.00	\$ 22,250.84	-\$ 1,944	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967.00	\$ 30,828.57	-\$ 5,138	Reduction due to City of Prospect inclusion
Collection Fees	\$ 2,155,404.00	\$ 2,273,356	\$ 117,952	Incorporates Service added F18
Green Organics Processing	\$ 233,775.00	\$ 235,650.40	\$ 1,875	Charged at-cost to Council
Hard Waste Disposal Fees	\$ 56,611.00	\$ 104,608.96	\$ 47,998	Charged at-cost to Council
Waste Costs Sub Total	<b>\$ 2,505,952</b>	<b>\$ 2,666,695</b>	<b>\$ 160,743</b>	
Recyclables Income	\$ 151,056	\$ 134,261	-\$ 16,795	Subject to contamination rate

Attachment 13

DRAFT Member Council Fees 2018/19				
City of Mitcham	Adopted 2017/2018 Fees	Draft Budget 2018/19	Movement	Comments
East Waste Equity Loan	\$ 32,013.00	\$ 29,443.37	-\$ 2,570	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967.00	\$ 30,828.57	-\$ 5,138	Reduction due to City of Prospect inclusion
Collection Fees	\$ 1,689,104.00	\$ 1,702,654.00	\$ 13,550	
Green Organics Processing	\$ 323,291.00	\$ 323,444.31	\$ 153	Charged at-cost to Council
Hard Waste Disposal Fees	\$ 96,883.00	\$ 135,287.93	\$ 38,405	Charged at-cost to Council
Waste Costs Sub Total	<b>\$ 2,177,258</b>	<b>\$ 2,221,658</b>	<b>\$ 44,400</b>	
Recyclables Income	\$ 219,949.00	\$ 185,806	-\$ 34,143	Subject to contamination rate

## Attachment 14

DRAFT Member Council Fees 2018/19				
City of NPSP	Adopted 2017/2018 Fees	Draft Budget 2018/19	Movement	Comments
East Waste Equity Loan	\$ 20,665	\$ 18,997	-\$ 1,668	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967	\$ 30,828.57	-\$ 5,138	Reduction due to City of Prospect inclusion
Collection Fees	\$ 1,650,332	\$ 1,915,338	\$ 265,006	Incorporates Service added F18
Green Organics Processing	\$ 159,320	\$ 162,116	\$ 2,796	Charged at-cost to Council
Hard Waste Disposal Fees		\$ 91,897	\$ 91,897	Charged at-cost to Council
Illegal Dumping	\$ 27,924		-\$ 27,924	Charged at-cost to Council
Waste Costs Sub Total	<b>\$ 2,030,868</b>	<b>\$ 2,219,176</b>	<b>\$ 188,308</b>	
Recyclables Income	\$ 126,681.00	\$ 108,976	-\$ 17,705	Subject to contamination rate

Attachment 15

DRAFT Member Council Fees 2018/19				
City of Prospect		Draft Budget 2018/19		Comments
East Waste Equity Loan		\$ 14,389.00		Loan Expires 2019/20
Administration Fee Fixed		\$ 30,828.57		
Collection Fees		\$ 861,370.00		
Green Organics Processing		\$ 93,281.02		Charged at-cost to Council
Hard Waste Disposal Fees		\$ 53,602		Charged at-cost to Council
Waste Costs Sub Total		\$ 1,053,471		
Recyclables Income		\$ 55,845		Subject to contamination rate

Attachment 16

DRAFT Member Council Fees 2018/19				
Town of Walkerville	Adopted 2017/2018 Fees	Draft Budget 2018/19	Movement	Comments
East Waste Equity Loan	\$ 3,940.00	\$ 3,624.32	-\$ 316	Reduction due to City of Prospect inclusion
Administration Fee Fixed	\$ 35,967.00	\$ 30,828.57	-\$ 5,138	Reduction due to City of Prospect inclusion
Collection Fees	\$ 403,360.00	\$ 411,189	\$ 7,829	
Green Organics Processing	\$ 36,507.00	\$ 37,555.55	\$ 1,049	Charged at-cost to Council
Hard Waste Disposal Fees	\$ 9,638.00	\$ 11,028.21	\$ 1,390	Charged at-cost to Council
Waste Costs Sub Total	<b>\$ 489,412</b>	<b>\$ 494,226</b>	<b>\$ 4,813.65</b>	
Recyclables Income	\$ 24,761.00	\$ 19,307	-\$ 5,454	Subject to contamination rate

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### 7.3: 2017 LGA RISK EVALUATION SUMMARY & ACTION PLAN

**REPORT AUTHOR:** Manager, Corporate Services  
**ATTACHMENTS:** A: 2017 Risk Evaluation Summary Report

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#### Purpose of the Report

To provide the East Waste Board (the Board) with the outcome and subsequent action plan, of the 2017 Risk Evaluation undertaken by the Local Government Association.

#### Background

East Waste holds membership with the Local Government Association Worker's Compensation Scheme (LGAWCS) under the classification of self-insured employer. This class of membership requires the LGAWCS to undertake an audit of East Waste's Work, Health & Safety (WHS) and Injury Management (IM) systems every two years (previously annual). As per determinations made in late 2017, an audit is also now required to be undertaken on East Waste's Risk Management (RM) systems.

The elements audited are detailed in Attachment A and can be found in the following sections of the Report:

- 1.1.1 Risk Management Systems – page 5;
- 1.1.2 WHS Management Systems – page 7; and
- 1.1.3 IM Systems – page 8.

#### Report

In relation to the WHS and IM Audit, East Waste has again achieved a high level of conformance, thus ensuring a 100% rebate amount will be applied to East Waste for the 2017-18 Financial Year. Detailed results of the WHS and IM Audits can be found at Sections 3.1 and 3.2 of Attachment A, which not only identify elements of conformance but also identify elements for action or improvement. It should be noted that the actions identified are minor and don't reduce the quality of the WHS and IM systems that East Waste has in place. The element action plan, inclusive of a timeline, is identified in Table 1.

Evaluation of Local Government (Councils and Subsidiaries) Risk Management (RM) Framework's was introduced in 2017. East Waste was fortunate enough to be one of the first organisation's to have their Risk Management Framework evaluated. Detailed results of the RM audit can be found at Section 2.1 of Attachment A. Members will note the audit criterion differ from those of the WHS and IM audit on the basis that the RM audit has no influence or bearing on the rebate, as the audit was established based on industry working parties, ISO standards and best practice guidelines only. The element action plan, inclusive of timeline, is included within Table 1.

On 13 February 2018, this Agenda Item was tabled before the East Waste Audit and Risk Management Committee, who resolved the following:

#### **4.3 2017 LGA RISK EVALUATION SUMMARY & ACTION PLAN**

*Moved Mr Muhlhausler that the Committee:*

1. *Receives and notes the findings of the Local Government Worker's Compensation Scheme 2017 Risk Evaluation as presented in Attachment A; and*
2. *Note and support the Action Plan to address outstanding conformance matters identified in the 2017 Risk Evaluation.*

*Seconded Mr Barone*

***Carried***

**Table 1: East Waste 2017 Risk Evaluation Conformance Activities**

Action	Responsibility	Scheduled Completion	Response to Audit Results
<b>Risk Management</b>			
Review of Risk Management Framework (including implementation across the organisation)	Manager, Corporate Services	May 2018	Audit indicates that whilst East Waste has a Risk Management Framework in place, it is due for review. The Risk Management Framework will be tabled before the Audit and Risk Management Committee in April 2018. The reviewed (and approved) framework will be subsequently implemented across the organisation, including the training of staff.
Update Risk Register	Manager, Corporate Services	May 2018	As per the above, audit indicates a review of the risk registers is due. Review will be undertaken as per above timelines and presented to a future meeting of the Audit and Risk Management Committee.
Procurement, Contracts & Tenders (Policy review and use of local goods and services)	Manager, Corporate Services	May 2018	Purchase of Goods and Services Policy has been tabled at the February 2018 meeting of Audit and Risk Management Committee Meeting. Sale and Disposal of Land and Other Assets will be tabled for review at the April 2018 meeting of the Audit and Risk Management Committee. The use of local goods and services is a criterion considered by East Waste in procurement processes, however this particular legislative requirement has been incorporated into the updated draft of East Waste's Procurement Policy.
<b>Work, Health &amp; Safety (WHS)</b>			
Hierarchy of Control level selection to be included in paper-based Incident Reports	Incident and Quality Control Officer	Feb 2108	Hierarchy of Control level selection is included and utilised on East Waste's electronic Incident Report Forms within the WHS Database (SkyTrust). East Waste has however now included the Hierarchy of Control on paper-based Incident Reports.
Monitoring of KPIs set in accordance with Annual WHS Plan and Program	East Waste Executive	March 2018	East Waste has an annual WHS Plan and Program in place that is monitored and adhered to by the WHS Committee, Executive Team and LGA WHS Contractor. Commencing March 2018, when the Executive Team meet to discuss progress of KPIs, formal minutes will now be completed, in addition to the formal minutes taken at WHS Committee meetings.



Update of WHS Risk Register	Incident and Quality Control Officer	On-going	On-going. WHS Risk Register is continually monitored and maintained by East Waste.
Training needs analysis	Incident and Quality Control Officer	March 2018	Updating of East Waste's (staff) Training needs analysis is to occur. Updating is currently being undertaken.
<b>Injury Management</b>			
Injury Management/Return to Work Training to be reviewed	Incident and Quality Control Officer	March 2018	Is occurring as part of the update to East Waste's Training needs analysis.
Return to Work responsibilities to be updated on relevant staff Position Descriptions	Incident and Quality Control Officer	Completed	Completed.

**RECOMMENDATION**

**That the Board:**

- 1. Receive and note the findings of the Local Government Association Worker's Compensation Scheme 2017 Risk Evaluation as presented in Attachment A.**
- 2. Note and support the Action Plan to address outstanding conformance matters identified in the 2017 Risk Evaluation.**

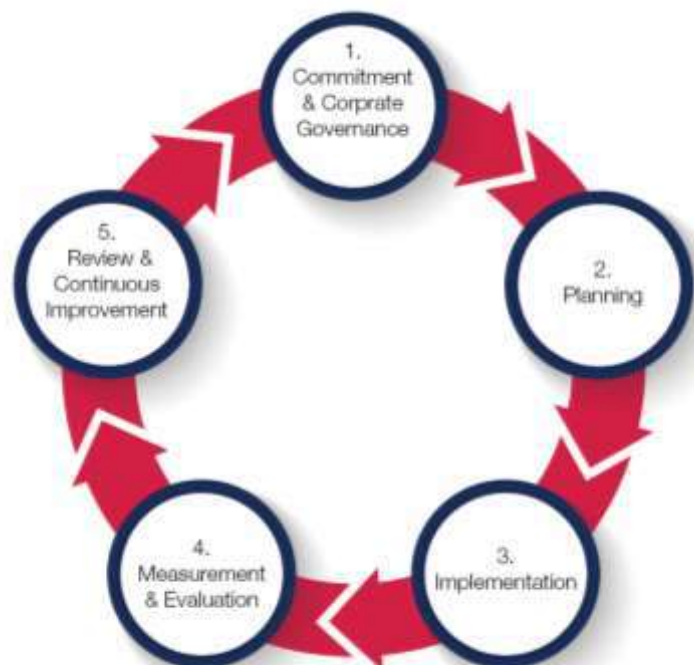
# 2017 Risk Evaluation Summary Report

**East Waste**  
**27<sup>th</sup> – 28<sup>th</sup> November**  
**2017** R.Castle & C Green

## Risk Evaluation Overview

The LGAWCS and LGAMLS provide a Risk Evaluation service to their Members, every two years. The aim of the Risk Evaluation process is to review each Member's risk management systems (including WHS and IM) against both LG Industry agreed Sector Baselines and other external requirements (e.g. RTWSA Performance Standards for Self Insurer requirements and relevant legislation). The objective of the evaluation is to assist Members to recognise and share LG risk management excellence, identify where opportunities for system improvements exist and to work in partnership with them to implement identified improvements.

The Risk Evaluation in its current format was introduced in 2017. Please see the overview on the Members Centre for more information in relation to the structure and process.



### The summary report is structured as follows:

- An Executive Overview, which is completed by the Lead Evaluator, for both Risk and WHS/IM system aspects and briefly outlines the overall results of the evaluation and potential focus areas and recommended actions.
- A Results Table, which summarises the results for both Risk Management (RM) and Work, Health and Safety (WHS) and Injury Management (IM) components.
- The RM Evaluation Report, which includes the chosen evaluation scope, names of evaluators, summary of findings and specific recommendations for each evaluated question within the identified evaluation scope.
- The WHS and IM Evaluation Report, which includes the evaluation scope, names of evaluators, summary of findings and specific recommendations for each sub-element within the evaluation scope.
- A conclusion, which is completed by the Lead Evaluator. This aims to identify where overall system trends and issues are occurring and what may be of assistance to the Member to progress them forward.

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## Executive Summary

The scope of the 2017 evaluation and results for each question and sub-element are detailed in section 1.1. The completed workbooks will be available in your documents in the Members Centre.

### Evaluators-

R Castle (Lead): WHS

C Green (supporting): Risk/IM/RTW

However, the following Executive Summary details identified areas of positive system performance and areas where potential improvements might be considered as part of the organisation's planning and review processes, in relation to those specific aspects tested within the RM evaluation scope.

### Risk Management

Sector baselines are not legislative requirements and were set in late 2017 by consultation with an Industry Working Group, ISO 31000, best practice guides, various authorities e.g. LGA, qualified auditors, risk professionals, and by consulting the applicable Acts of Parliament for Local Government operations. Outcomes are either Sector Baseline Met, or Sector Baseline Not Yet Met – which provides material for the Action Plan. Financial outcomes are based on Action Plan progress/completion.

East Waste have developed Risk Management Framework that has been endorsed by the Board in early 2015. The Audit and Risk Management Committee are aware of the RM Framework. Unfortunately due to some resourcing issues since the development of the RM Framework, implementation and ongoing management of the system has not occurred.

There have been a number of organisational changes occur during 2017 and subsequently, Risk Management has been identified by East Waste as a key focus area for 2018. It was pleasing to see that the Risk Management Framework is currently being reviewed and is on the agenda in February for the Board and the Audit & Risk Management Committee.

East Waste have a number of documents which underpin the Risk Management Framework including:

- Risk Registers associated with the framework
  - Risk Register - Commercial
  - Risk Register – Strategic
  - Risk Register – Business/Operations
- Business Continuity Plan
- Work Health & Safety – WHS Risk Register

In addition to the RM Framework, the other area East Waste submitted for the evaluation was Procurement, Contracts, Tenders. It was confirmed that East Waste have a number of great practices in place, and evidence of a system that is working well, however the system documentation (policies) does need to be reviewed and updated.

The information provided and discussions that occurred on the topic areas evaluated showed great knowledge and understanding by the people in key positions across the organisation.

Commentary has been provided in this report and suggestions made to support the systems East Waste already have in place.

### Work Health and Safety

East Waste has invested time, energy and resources in developing its WHS Management system. This is reflected in the efficient safe systems of work it now operates. East Waste is now transitioning into utilising a new platform which will enhance efficiencies, reporting and accountabilities.

East Waste should continue on with its WHS improvement Plan and Programs taking into consideration the findings and recommendations in this report particularly around rationalising identified hazards against systems of work. Likewise for maintaining and monitoring the actions against KPIs, targets and final objectives. Your WCS Consultant will be able to assist with these improvements from an LG industry perspective.

With the continued investment of resources East Waste will be able to continuously improve its overall Risk Systems to the benefit of all its stakeholders.

### Injury Management

Overall, East Waste has met the the Injury Management requirements of the evaluation. The only area requiring follow up is with regards to the injury management /RTW information in the Job Description for the contingency person.

### Combined Evaluation Areas

There were no combined evaluation areas.

**N.B THE ABOVE ARE RECOMMENDATIONS ONLY. THE RESPONSIBILITY SITS WITH COUNCIL TO IDENTIFY SUSTAINABLE SYSTEM SOLUTIONS THAT ADDRESS THE IDENTIFIED ISSUE AND MEET THEIR BUSINESS NEEDS**

## 1.1 Table of results

### 1.1.1 RM Systems Evaluation Results

Q #	Topic Area	Question Detail and Result Summary (e.g. any observations for improvement and why.)	Baseline Met or Not Met
1	Risk Management Systems	Has Council endorsed a Risk Management System?	Sector Baseline Not Yet Met
1a	Risk Management Systems	Has Council implemented a Risk Management System?	Sector Baseline Not Yet Met
1b	Risk Management Systems	What does Council's Risk Management System consist of?	Sector Baseline Met
1c	Risk Management Systems	Does Council have a Risk Register?	Sector Baseline Not Yet Met
1d	Risk Management Systems	Has training been identified and provided to all persons with responsibilities and accountabilities for risk management?	Sector Baseline Not Yet Met
1e	Risk Management Systems	Which risks has Council identified via the risk management process as the top three operational risks, in order of priority?	Sector Baseline Met
2	Roads and Footpaths	Does Council have systems in place to authorise or permit 3rd party alterations to a public road (non-business purposes)?	Not Applicable
2a	Roads and Footpaths	Does the authorisation process or permit consider structures and installations for their safety and suitability?	Not Applicable
2b	Roads and Footpaths	Does the authorisation or permit include an indemnity from the applicant to the Council?	Not Applicable
2c	Roads and Footpaths	Does Council have an Infrastructure and Asset Management Plan that covers the management and maintenance of roads and footpaths?	Not Applicable
2d	Roads and Footpaths	Does Council have an inspection and maintenance regime (or schedule) to inspect roads and footpaths?	Not Applicable
2e	Roads and Footpaths	How does Council prioritise <b>roads</b> during scheduling of maintenance/- repair?	Not Applicable
2f	Roads and Footpaths	How does Council prioritise <b>footpaths</b> during scheduling of maintenance/-repair?	Not Applicable
2g	Roads and Footpaths	If Council has Railway Interface/s, does Council fulfil its duties as a Road Manager?	Not Applicable
3	Planning and Development	Does Council have systems in place to guide Planning and Development activities?	Not Applicable



	Administration	(Insert text)	
3a	Planning and Development Administration	Are Building Surveyors, Inspectors, Planners, Planning Officers, or Planning staff who are employed or engaged by Council accredited to provide planning advice, and assess new development applications?	Not Applicable
3b	Planning and Development Administration	Does Council have a process in place to manage written <b>complaints</b> related to development applications and completed projects?	Not Applicable
E5a	Procurement, Contracts, Tenders	Are policies, practices and procedures prepared and adopted for Contracts and Tenders?	Sector Baseline Not Yet Met
E5b	Procurement, Contracts, Tenders	Are there systems in place to identify risks as part of the procurement/purchasing process?	Sector Baseline Met

### 1.1.2 WHS System Evaluation Results

Q #	Sub-Element	Sub-Element Details and Result Summary (e.g. any improvement areas identified and why.)	Conformance/ Non-Conformance or Observation
2	1.2.1	Evidence of policies and/or procedures to support the policy statement	<b>Conformance</b>
13	3.2.1	The organisation must ensure a relevant training program is being implemented	<b>Conformance</b>
14	3.3.2	The organisation must ensure accountability mechanisms are being used when relevant	<b>Conformance.</b>
18	3.7.1	The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required	<b>Conformance.</b>
19	3.8.1	The organisation must ensure a hazard management process that includes identification, evaluation and control is in place	<b>Observation</b>
19	3.8.3	The organisation must ensure control measures are based on the hierarchical control process	<b>Observation</b>
20	3.8.5	The organisation must ensure program(s) are in place to ensure an appropriate WHS consideration is given at the time of purchase, hire or lease of plant, equipment and substances	<b>Conformance</b>
21	3.8.6	The organisation must ensure program(s) are in place to meet the organisation's duty of care for all persons in the workplace	<b>Conformance</b>
23	3.9.1	The organisation must ensure that the implementation of relevant inspection and testing procedures are conducted by the relevant, competent person(s)	<b>Conformance</b>
27	4.1.1	The organisation ensures planned objectives, targets and performance indicators for key elements of program(s) are maintained and monitored	<b>Non-conformance</b>
29	5.3.1	The organisation ensures the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices	<b>Conformance</b>

### 1.1.3 IM System Evaluation Results

Q #	Sub-Element	Result Summary (e.g. any improvement areas identified and why.)	Conformance/ Non-Conformance or Observation
1	1.2.1	Documented job descriptions for all injury management / RTW personnel and where <i>relevant</i> management, supervisors and employees.	Conformance with <b>Observation</b>
1	1.2.2	Ensuring injury management personnel are competent to administer their role in a reasonable manner.	<b>Conformance</b>
1	1.2.3	Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load.	<b>Conformance</b>
1	1.2.4	Suitability of facilities and accommodation to ensure restricted access to information, including maintaining confidentiality during interaction with injured workers and service providers.	<b>Conformance</b>
1	1.2.5	A Scheme Member is required to appoint a Return to Work Coordinator (IRC) and ensure the person appointed to this role has successfully completed relevant LGAWCS training. Where this role becomes vacant, the Scheme Member is required to re-appoint an employee within 3 months and ensure the employee(s) appointed have received relevant LGAWCS training within 3 months of the appointment being made.	<b>Conformance</b>
2	1.6.1	How to report a work related injury	<b>Conformance</b>
2	1.6.2	The process for lodging a claim for compensation	<b>Conformance</b>
3	2.8.5	Where a worker has not returned to pre-injury employment within 6 months from date of first incapacity and is not working to their full capacity, new or other employment options are considered for the worker by the Scheme Member in conjunction with the LGAWCS.	<b>Conformance</b>
3	2.8.6	Where a Scheme Member does not provide suitable employment to a former work injured employee the Scheme Member notifies and consults with LGAWCS.	<b>Conformance</b>
4	4.1.1	Processes are in place that monitor, measure and review the effective implementation of the injury management system and where relevant, strategies to improve performance of the injury management system are identified.	<b>Observation</b>
4	4.1.3	The Service Standards set out in Schedule 5, Part 2 of the Return to Work Act 2014 are in place.	<b>Conformance</b>

### 1.1.4 Combined Evaluation Area Results

There were no combined evaluation areas.

## 2. Risk Management Report

The evaluation of East Waste's risk management (RM) system included a review of existing documentation and meeting with employees and other workers. Comments and recommendations, including action items will provide management with some suggested ways to improve their systems, however it may be appropriate to implement an alternative action and this is at the discretion of each individual organisation and their management team.

### **Employees and workers involved in the evaluation process included:**

- Ian Lampre
- Shane Raymond
- Amy Quintrell

### **Documentation Review**

The review included reviewing policies, procedures and supporting documentation within East Waste's RM, and supporting organisational systems.

It should be recognised that the findings of this report should be used for:

- Planning and continuous improvement by East Waste of their RM Systems

## 2.1 RM Systems Evaluation Findings

Q #	Topic Area	Question and Findings Summary
1	Risk Management Systems	<p>Has Council endorsed a Risk Management System? <b>Sector Baseline Not Yet Met</b></p> <p>East Waste a Risk Management System which has been endorsed by the Board.</p> <p>The Risk Management Framework endorsed was issued in April 2015. This framework underpins East Waste's operations.</p> <p>The Risk Management Framework and Business Continuity were endorsed at the following meetings:</p> <ul style="list-style-type: none"> <li>Audit &amp; Risk Management Committee of the Eastern Waste Management Authority – 02/06/2015</li> <li>Ordinary Board Meeting of the Eastern Waste Management Authority – 11/06/2015</li> </ul> <p>The Risk Management Framework notes under the Monitor and Review section of the document as being “<i>not static nor a ‘one off’ procedure and is part of ongoing business. The Risk Management Framework, identified risks and their management are subject to ongoing monitoring and review</i>”.</p> <p>It was unclear at the time of the evaluation, when the Risk Management Framework is due for review as it does not contain a next review date or document the frequency of review.</p> <p>Further discussion during the evaluation determined that the Risk Management Framework including the Risk Registers has not undergone regular monitoring and review processes, however there are plans for this process to take place commencing in 2018. The Board and the Audit &amp; RM Committee will be receiving a regular report which will include RM.</p> <p><b>I have therefore deemed this as having not yet met the sector baseline and East Waste may wish to consider the following suggestions for improvement:</b></p> <ul style="list-style-type: none"> <li><b>Continue the review of the Risk Management Framework in line with operational requirements and have this endorsed by the Board and Audit &amp; Risk Management Committee (assuming these are still the 2 meetings this would occur in)</b></li> <li><b>Include the monitoring and review processes (both for the framework itself and the requirement to manage and monitor risk across the organisation)</b></li> </ul>
1a	Risk Management Systems	<p>Has Council implemented a Risk Management System? <b>Sector Baseline Not Yet Met</b></p> <p>At the time of the evaluation, the implementation of the Risk Management system was unable to be evidenced.</p> <p>As mentioned above (in question 1), the Risk Management System has been developed and stakeholders have been made aware of the framework (noted in the minutes documented above).</p> <p>The meeting minutes which show the Audit and Risk Management Committee and the Board are aware of the Risk Management Framework (as documented in question 1 above) were sighted during the evaluation.</p> <p>The Audit and Risk Management Committee endorse the Risk Management Framework, however, at the time of the evaluation it was noted that there is no monitoring/review process in place for the Framework, including the Risk Registers.</p> <p>The Risk Management Framework contains information on the responsibilities for the following roles:</p> <ul style="list-style-type: none"> <li>The Board</li> <li>Audit &amp; Risk Committee</li> </ul>

		<ul style="list-style-type: none"> <li>• Executive Officer</li> <li>• Managers</li> <li>• Employees</li> <li>• Service Providers</li> </ul> <p>Documented in the Risk Management Framework, it's the Audit &amp; Risk Management Committee's role to review the Risk Management Framework, implementation, procedures for effective identification and management of East Wastes risks. There was no evidence of this occurring at the time of the evaluation.</p> <p>The Terms of Reference – Eastern Waste Management Authority Audit and Risk Management Committee have recently been updated (November 2017) and include information with regards to the Risk Management.</p> <p>Specific Risk Management training is captured in question 1d.</p> <p>The Risk Management Framework is available on the M Drive.</p> <p><b>I have therefore deemed this as having not yet met the sector baseline and East Waste may wish to consider the following suggestions for improvement:</b></p> <ul style="list-style-type: none"> <li>• <b>Review the implementation requirements for Risk Management in line with the current Risk Management Framework and develop an implementation plan which includes the identified training requirements (see question 1d)</b></li> <li>• <b>Implement the Risk Management Framework across the organisation in line with your implementation plan</b></li> </ul>
1b	Risk Management Systems	<p>What does Council's Risk Management System consist of? <b>Sector Baseline Met</b></p> <p>East Waste's Risk Management System consists of the following:</p> <ul style="list-style-type: none"> <li>• Risk Management Framework</li> <li>• Risk Registers associated with the framework <ul style="list-style-type: none"> <li>○ Risk Register - Commercial</li> <li>○ Risk Register – Strategic</li> <li>○ Risk Register – Business/Operations</li> </ul> </li> <li>• Business Continuity Plan</li> <li>• Work Health &amp; Safety – WHS Risk Register</li> </ul> <p>The sector baseline information is covered in the Risk Management System.</p> <p>Records are kept the M Drive. This is a secure drive with appropriate people having access to certain areas (confidentiality). Records kept on here are kept according to GDS20.</p> <p>Note: The implementation, maintaining and review of the RM system has been documented in questions 1 and 1a.</p> <p>The records management process is not contained within the framework documentation, however it is noted that records are kept and there is a process for this to occur (on the M drive).</p>
1c	Risk Management Systems	<p>Does Council have a Risk Register? <b>Sector Baseline Not Yet Met</b></p> <p>East Waste have 3 risk registers (Commercial, Strategic and Business/Operations) which are associated with the RM Framework, as well as a WHS Risk Register.</p> <p>Key risks have been identified for each of the risk registers.</p> <p>It is noted that the Audit and Risk Management Committee should be monitoring the Operational Risk Register regularly and further information has been captured in questions 1 and 1a with regards to the future plans.</p> <p>At the time of the evaluation the risk registers have not been actively maintained and it was unclear how East Waste use this information to support their decision making processes across the organisation.</p> <p><b>I have therefore deemed this as having not yet met the sector baseline and East Waste may</b></p>



		<p>wish to consider the following suggestions for improvement:</p> <ul style="list-style-type: none"> <li>Review and update the risk register in line with the reviewed Risk Management Framework</li> <li>Determine the requirements for managing/maintaining the risk register (documenting the requirements within the Risk Management Framework) so the information is able to be used to support your decision making processes across the organisation</li> </ul>
1d	Risk Management Systems	<p>Has training been identified and provided to all persons with responsibilities and accountabilities for risk management? <b>Sector Baseline Not Yet Met</b></p> <p>During the evaluation, there was no evidence of risk management training being provided to key positions across the organisation.</p> <p>It is noted that the Management Team, Board and Audit &amp; Risk Committee are aware of the Risk Management Framework.</p> <p>The Roles and Responsibilities section of the Risk Management Framework contain the Risk Management responsibilities for each of the following roles:</p> <ul style="list-style-type: none"> <li>The Board</li> <li>Audit &amp; Risk Committee</li> <li>Executive Officer</li> <li>Managers</li> <li>Employees</li> <li>Service Providers</li> </ul> <p>The training requirements relating to risk management are not currently identified in the TNA.</p> <p><b>I have therefore deemed this as having not yet met the sector baseline and East Waste may wish to consider the following suggestions for improvement:</b></p> <ul style="list-style-type: none"> <li>Review the training requirements for Risk Management in line with the current Risk Management System and capture the training requirements (identifying the specific training needed for the different roles across East Waste including the ongoing training/frequency of the training) on the TNA</li> <li>Consider the training options and schedule the delivery of the training across East Waste</li> <li>Conduct the relevant risk management training and review as needed to ensure training meets East Waste's requirements</li> </ul>
1e	Risk Management Systems	<p>Which risks has Council identified via the risk management process as the top three operational risks, in order of priority? <b>Sector Baseline Met</b></p> <p>East Waste have 3 risk registers associated with their Risk Management Framework.</p> <p>The top 3 risks have been identified by looking at the highest inherent risks with their highest residual risks. There were a total of 5 inherent risks with a residual risk of high. These were then sorted in order of the highest consequence rating.</p> <p>The top 3 risks (highest inherent risk with the highest consequence – B5) are identified below:</p> <ol style="list-style-type: none"> <li>Corporate - Financial Sustainability</li> <li>Business/Operational - Failure of disaster recovery plan / BCP</li> <li>Business/Operational- Failure of record keeping</li> </ol> <p>The other 2 highest inherent risks with their subsequent high residual risk (D4) are:</p> <ol style="list-style-type: none"> <li>Corporate - Regulation/Legislative changes</li> <li>Business/Operational - Major disruption to Member Council</li> </ol> <p>As noted in previous questions, the risk registers have not been actively maintained and reviewed, so this may have an impact on the information that was previously recorded within the risk registers. It was taken that the information in the risk registers viewed during the evaluation is the current information and therefore was the information used to base the top</p>



		3 risks on.
2	Roads and Footpaths	Does Council have systems in place to authorise or permit 3rd party alterations to a public road (non-business purposes)? <b>Not Applicable</b>
2a	Roads and Footpaths	Does the authorisation process or permit consider structures and installations for their safety and suitability? <b>Not Applicable</b>
2b	Roads and Footpaths	Does the authorisation or permit include an indemnity from the applicant to the Council? <b>Not Applicable</b>
2c	Roads and Footpaths	Does Council have an Infrastructure and Asset Management Plan that covers the management and maintenance of roads and footpaths? <b>Not Applicable</b>
2d	Roads and Footpaths	Does Council have an inspection and maintenance regime (or schedule) to inspect roads and footpaths? <b>Not Applicable</b>
2e	Roads and Footpaths	How does Council prioritise <b>roads</b> during scheduling of maintenance/- repair? <b>Not Applicable</b>
2f	Roads and Footpaths	How does Council prioritise <b>footpaths</b> during scheduling of maintenance/-repair? <b>Not Applicable</b>
2g	Roads and Footpaths	If Council has Railway Interface/s, does Council fulfil its duties as a Road Manager? <b>Not Applicable</b>
3	Planning and Development Administration	Does Council have systems in place to guide Planning and Development activities? <b>Not Applicable</b>
3a	Planning and Development Administration	Are Building Surveyors, Inspectors, Planners, Planning Officers, or Planning staff who are employed or engaged by Council accredited to provide planning advice, and assess new development applications? <b>Not Applicable</b>
3b	Planning and Development Administration	Does Council have a process in place to manage written <b>complaints</b> related to development applications and completed projects? <b>Not Applicable</b>
E5a	Procurement, Contracts, Tenders	<p>Does Council have systems in place for the management of Council organised events? <b>Sector Baseline Not Yet Met</b></p> <p>East Waste has in place a Purchase of Goods and Services Policy (Adopted by the Board May 2013, next review May 2015) which documents the process in place around managing contracts and tenders. This policy covers information on the following:</p> <ul style="list-style-type: none"> <li>Contracting out of services (including contractor assessment process)</li> <li>Competitive tendering and the use of other measures to ensure that services are delivered cost effectively</li> </ul> <p>East Waste also have in place a Sale and Disposal of Land and Other Assets Policy (Adopted by the Board May 2013, next review May 2015).</p> <p>There appears to be a gap in the system around the covering of the following aspect:</p> <ul style="list-style-type: none"> <li>the use of local goods and services</li> </ul> <p>The 2 policies in place (Purchase of Goods and Services Policy and the Sale and Disposal of Land and Other Assets Policy) are currently overdue for review, however it is noted that this has been recognised and the reviewed documents are scheduled to be presented at the February 2018 Board Meeting. In addition to these policies, East Waste Financial Delegations have been developed and are going to the Board at the same time.</p>

		<p>A WHS Contractor Management Procedure is in place (version 5.0, issued 02/08/2017, next review 02/08/2020) which documents the WHS requirements for the management of contractors. <b>Note: Further information on the WHS components of contractor management is captured in the WHS component of the risk evaluation, sub element 3.8.6).</b></p> <p>The Purchase of Goods and Services Policy identifies circumstances where the East Waste will call for tenders for the supply of goods, the provision of services or the carrying out of works.</p> <p>The provision of a fair and transparent process for calling tenders and entering into contracts in those circumstances; and the provision for the recording of reasons for entering into contracts other than those resulting from a tender process; and the requirement to be consistent with any requirement prescribed by the regulations are all captured in the Purchase of Goods and Services Policy.</p> <p>There is a process in place to review and keep current policies, however, as mentioned this process had not occurred at the time of the evaluation. Both the Purchase of Goods and Services Policy and the Sale and Disposal of Land and Other Assets Policy state in the Governance section:</p> <ul style="list-style-type: none"> <li>• This Policy will be reviewed every two years by the Board. However, the Board has the discretion to review this Policy at any time in order to take account any significant new information, legislative, or organisational change which may warrant an amendment to this document.</li> <li>• A review of this Policy will incorporate consultation with the Constituent Councils.</li> </ul> <p>Both the Purchase of Goods and Services Policy and the Sale and Disposal of Land and Other Assets Policy are available on the East Waste website (readily accessible to the public).</p> <p>Records of contractors used by Council and any financial dealings with them is recorded and retained, as well as insurance coverage and other assessment documentation e.g. WHS contractor management procedure requirements.</p> <p>A process to keep this information current is in place. The WHS aspects of this were assessed during the evaluation and further commentary has been provided in the WHS Evaluation section (sub element 3.8.6).</p> <p>Tenders, contracts and WHS contract management is maintained on the M Drive and kept in line with the requirements of GDS20. This information is maintained as confidential documentation.</p> <p>East Waste has a list of preferred suppliers in place (version 6, Issued November 2017, next review 2020). There is also structured processes in place around the management of tenders and for when contracts are entered into. There is a documented process around opening tender documentation and a Comparative Evaluation Matrix used to assess each of the submitted tenders (once again, further information is captured in the WHS Evaluation section, sub element 3.8.6).</p> <p>The Purchase of Goods and Services Policy includes information on the evaluation of tenders process (section 4, Evaluation of Tenders, page 7) to ensure a fair and consistent approach is taken when assessing the supplier's information. Information from policy:</p> <ul style="list-style-type: none"> <li>• Section (a) General: East Waste recognises that the lowest priced tender does not necessarily represent the best solution or the best value for the purchase of a particular good or service.             <ul style="list-style-type: none"> <li>○ Other factors must be taken into account including:                 <ul style="list-style-type: none"> <li>- Relevant experience</li> <li>- Past performance history</li> <li>- Technical expertise</li> <li>- Management capability</li> <li>- Ecological impact of product production or disposal</li> <li>- Environmental impact of service provision</li> <li>- Financial position</li> <li>- Compliance with tender documentation</li> <li>- Compliance with OH&amp;S</li> </ul> </li> </ul> </li> </ul> <p><b>I have therefore deemed this as having not yet met the sector baseline and East Waste may</b></p>
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		<p>wish to consider the following suggestions for improvement:</p> <ul style="list-style-type: none"> <li>It is suggested that the Purchase of Goods and Services Policy, the Sale and Disposal of Land and Other Assets Policy and any other associated documentation are reviewed and updated in line with the Local Government Act requirements for Procurement, Contracts and Tenders, including the use of local goods and services.</li> </ul>
E5b	Procurement, Contracts, Tenders	<p>Do these systems ensure consistent risk management, and compliance with legislative requirements, of <b>Council organised</b> events across all areas of Council? <b>Sector Baseline Met</b></p> <p>The Purchase of Goods and Services Policy documents the process for the purchase of goods and services (including the tender process).</p> <p>East Waste undertake a risk assessment during RFT/RFQ evaluation process. An Evaluation Matrix is used as part of the tender assessment process to ensure a consistent and transparent approach when evaluating tender responses. When the tender evaluation takes place, the Evaluation Matrix determines the weightings used (covering non-pricing weightings and price weighting).</p> <p>A Selection Panel may be established (as documented in (b) Selection Panel) for the evaluation of the tender. The panel is to be established by the East Waste Board prior to the closing of the tenders. The potential panel members and their role is documented in the policy.</p> <p>There are other procedures and documents that East Waste have in place which also contain information about purchasing of goods and services and the consideration of risk in this process. Examples of other procedures and documents in place include:</p> <ul style="list-style-type: none"> <li>WHS Contractor Management Procedure</li> <li>WHS Plant Procedure</li> <li>WHS Hazardous Chemicals Procedure</li> <li>Pre-purchase risk assessments</li> <li>Tender documentation</li> <li>Conditions of contract</li> <li>Preferred supplier list</li> <li>Evaluation Matrix</li> </ul> <p>Further information specifically around WHS considerations in this process is captured in the WHS Evaluation Tool (sub element 3.8.5).</p> <p>As noted in question E5a above, the Purchase of Goods and Services Policy is past its review date, and this is on the list to be reviewed/updated and will go to the Board for adoption following this process in February 2018.</p>

### 3. WHS/IM Management Report - RC

The evaluation of East Waste's work, health and safety (WHS) management system and injury management (IM) processes, included a review of existing documentation and meeting with employees and other workers. Comments and recommendations, including action items will provide management with some suggested ways to improve their systems, however it may be appropriate to implement an alternative action and this is at the discretion of each individual organisation and their management team.

#### Employees and workers involved in the evaluation process included:

- **Ian Lampre** | Incident & Quality Control Officer

#### Documentation Review

The review included reviewing policies, procedures and supporting documentation within East Waste's RM, WHS and IM systems.

It should be recognised that the findings of this report should be used for:

- Planning and continuous improvement by East Waste of their WHS and IM Systems
- Reviewing potential conformance levels with the RTWSA Performance Standards for Self Insurers

### 3.1 WHS System Evaluation Findings

Q #	Sub-Element	Sub-Element Details and Findings Summary
2	1.2.1  C	<p><b>Evidence of policies and/or procedures to support the policy statement</b></p> <ul style="list-style-type: none"> <li>East Waste has a suite of policies and procedures that are applicable to the organisations WHS considerations and align to the personnel, core functions, activities and plant.</li> <li>Documents viewed indicates appropriate document control and review regime.</li> <li>❖ It is note that EW has developed specific situational procedures in addition –e.g. Fire Danger, Drug and Alcohol, Fatigue etc. Which demonstrates addressing specific hazard profile information on prioritised basis.</li> </ul>
13	3.2.1  C	<p><b>The organisation must ensure a relevant training program is being implemented</b></p> <p><u>Background.</u></p> <p>A relevant and effective training system is dependent on the ‘planning’ components in standard II’ i.e.-</p> <ul style="list-style-type: none"> <li>➤ 2.3.1 ‘Training needs identified’</li> <li>➤ 2.3.2 ‘Training plans developed’</li> </ul> <p><u>Findings</u></p> <ul style="list-style-type: none"> <li>EW have an appropriate Procedure in place i.e. ‘Induction and Training’</li> <li><u>TNA sighted</u>- has documented individual job role positions with relevant individual names aligned to appropriate WHS training.</li> <li>Training requirements are reviewed and endorsed (including course content) by nominated senior staff member in consultation with relevant HSR.</li> <li><u>Training Plan</u> sighted*- plan provided was from 2015-16</li> </ul> <p><u>*The existing plan is currently under review in order to enhance and bring up to date.</u></p> <ul style="list-style-type: none"> <li>Induction process in place for new workers- packs/content/records are appropriate and in place.</li> <li>Attendee sheets were presented with sign offs. Feedback attendee assessments were viewed and had appropriate contributions by stakeholders.</li> <li>Competencies are included for courses.</li> <li>Course content was again reviewed post attendance and endorsed or recommendations made for modification.</li> <li>Internal ‘driver operator audits’ are conducted to assess competencies being retained on regular</li> </ul>

		<p>basis-records vied with corrective action or recommendations where appropriate.</p> <ul style="list-style-type: none"> <li>▪ Refreshers are scheduled in for key areas e.g. manual handling, fatigue management.</li> <li>❖ <u>It is additionally noted</u> that training has been completed on BCP requirements and mock trials conducted.</li> </ul>
14	3.3.2	<p><b>The organisation must ensure accountability mechanisms are being used when relevant</b></p> <p><i>The following areas are consistent with the requirements of this sub element-</i></p> <ul style="list-style-type: none"> <li>▪ Policies and procedures are in place that include responsibilities and accountabilities.</li> <li>▪ EW has WHS Plan and programs with time lines, responsibilities /accountabilities for close out.</li> <li>▪ EW generates quarterly WHS reports-reviewed at WHS Committee and at Senior Management meetings.</li> <li>▪ EW has corrective actions stem based now in SkyTrust that are traced from various categories e.g. incidents, hazard reports, workplace inspections, risk assessments and Emergency trials etc.</li> <li>▪ The above system includes notifications and escalations via email.</li> <li>▪ EW provided their KPI action plan (year to date), that demonstrate close out of significant actions i.e. against time lines and responsible individuals.</li> <li>▪ It has been demonstrated that accountabilities around key identified areas e.g. fatigue management has been rigorously followed up on.</li> <li>▪ WHS and Risk information is additionally reviewed by 'Easton Waste Board Management Authority' plus the subcommittee i.e. Audit and Risk Management</li> </ul>
18	3.7.1	<p><b>The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required</b></p> <ul style="list-style-type: none"> <li>❖ Council has an appropriate range of procedure(s) in place that includes- Emergency Management, First aid, Remote/ isolated and Fire Danger, Adverse Weather.</li> <li>▪ <u>It is noted</u> that Council has developed a BCP and that training has been completed on the requirements with stakeholders, plus have undertaken a series of trials that have been evaluated for effectiveness.</li> <li>▪ SWI and other emergency response processes are in place for 'high fire risk' days</li> <li>▪ Warden and First Aid training has been conducted and included in TNA/training plan for positions.</li> <li>▪ Workplace 'Emergency Evacuation Plan' Manual for admininstation area and yard and workshop.</li> <li>▪ Emergency evacuation taken place at facility-review undertaken and corrective actions documented and closed out.</li> <li>▪ Fire equipment is fitted and tested or required basis e.g. extinguishers/hoses in facility and</li> </ul>



		<p>extinguishers on vehicles.</p> <ul style="list-style-type: none"> <li>▪ Fire response processes RA and developed for operation fires i.e. in back of vehicles.</li> <li>▪ Extensive tracking and location technologies in place for drivers/operators.</li> </ul>
19	3.8.1 Obs	<p><b>The organisation must ensure a hazard management process that includes identification, evaluation and control is in place</b></p> <ul style="list-style-type: none"> <li>➤ Extensive work has been undertaken and implemented in this area with a range of effective safe systems of work being in place for tasks, activities, plant/equipment chemicals and supported by contingencies plans.</li> <li>▪ There is a rigorous incident-hazard and reporting culture in place supported by effective investigations and evaluation plus subsequent appropriate follow up actions and controls developed.</li> <li>▪ Likewise for workplace inspection, plant inspection and monitoring/auditing. Training in WHS requirements and competencies supports this system.</li> <li>❖ The EW internal WHS Hazard Management procedure requires <u>a specific process</u> to take place in the identification of hazards, and the subsequent development and application of effective controls, and also the ability to demonstrate this process <u>has taken place</u>.</li> <li>○ It has not been demonstrated how all the current controls have been developed ie the Hazard Register (profile tool) provided does not identify all the current hazards that are being controlled by the current systems of work.</li> <li>○ The WHS Hazard Register requires realignment to confirm that all hazards have been identified and covered out on by the present systems</li> <li>❖ The concern is that there may be gaps within the safe systems of work due to something being missed in the hazard identification, evaluation, prioritisation and consultation/ratification process.</li> </ul>
19	3.8.3 Obs	<p><b>The organisation must ensure control measures are based on the hierarchical control process</b></p> <ul style="list-style-type: none"> <li>▪ EW has the appropriate references within the procedures , risk assessments, incident /hazard reports forms and in the development and evaluation of actions and controls.</li> <li>▪ Examples have been provided of pre- purchase and replacement plant procurement, where HOC level selection has been discussed and applied. Tool box meeting notes and minutes also reflect discussion of HOC categories.</li> </ul> <p><u>Observation.</u></p> <ul style="list-style-type: none"> <li>○ It was noted in previous incident reports provided, that the appropriate HOC references or consideration was not utilised-eg incident report No 94- dated reported-30-10-17.</li> <li>○ It should therefore be monitored and documented by organisation the consideration and application of the HOC, to ensure is utilised appropriately and consistently from this point.</li> <li>○ It is recommended that the HOC application is reviewed in line with incident statistics- that is- analysing the usage of high level against low. If low level is used, are additional controls used ? e.g. additional PPE, monitoring or supervision, and is the review date brought forward to consider higher levels?</li> </ul>
20	3.8.5	<p><b>The organisation must ensure program(s) are in place to ensure an appropriate WHS consideration is</b></p>

	C	<p><b>given at the time of purchase, hire or lease of plant, equipment and substances</b></p> <p>The evidence and information provided and viewed in discussions with the Incident &amp; Quality Control Officer, <u>demonstrated that appropriate requirements are in place.</u></p> <ul style="list-style-type: none"> <li>EW has a Purchase of Goods &amp; Services Policy plus Chemicals and Plant Procedures that reference the appropriate requirements.</li> <li>Checklist for pre-purchase plant has been undertaken in consultation with relevant stakeholders.</li> <li>Hand -over and induction has taken place with stakeholders and records retained with workers present and aspects covered.</li> <li>Risk assessments for chemicals occurs in the ChemAlert platform with alternatives considered if required by RA.</li> <li>Minutes and reports reflect the due process taking place prior to investment in new plant that considers appropriateness for application, quality WHS and cost effectiveness.</li> <li>Reviews of equipment and chemicals is undertaken to verify appropriateness for consideration when replacement is due.</li> </ul>
21	3.8.6 C	<p><b>The organisation must ensure program(s) are in place to meet the organisation's duty of care for all persons in the workplace</b></p> <p><u>Requirements in place –included the following</u></p> <p><b>Visitors</b>-EW has appropriate processes in place e.g. sign in books &amp; lanyards, inductions, designated officer responsible, designated walk ways and high Vis; PPE.</p> <p>EW has emergency processes &amp; responses in place including- first aid equipment and trained first aiders, fire wardens &amp; equipment, plans diagrams and trialled evacuations.</p> <p><b>Labour Hire</b>-requirements in line with EW workers including inductions, training etc. plus labour providers ensures that provisions in place-check list and files viewed.</p> <p><b>Contractors</b>-Contract register in place that meets requirements.</p> <ul style="list-style-type: none"> <li>Service providers supply competencies and systems of work to EW. Safe systems of work e.g. Viewed call out/road side service situational processes and requirements for safe work.</li> <li>EW alternatively ensures all service providers are provided with their own WHS (and quality) provisions- the above contractual requirements are reflected in service agreements.</li> <li>Service contracts arrangements viewed</li> <li>Records provided with records of contractors (of services) systems of work RTW, insurances, competencies etc.</li> <li>Monitoring of service –both quality/performance/ WHS is by both organisations- 'shared responsibilities' checklist and arrangements provided.</li> <li>Calendar of events records when providers of services are on site.</li> <li>WZTM provisions and other visitors arrangements utilised at service centre.</li> <li>❖ <u>C. Green</u> -additional contractor information. <i>Exmples of required information 'in place'.</i></li> </ul> <p><i>East Waste have a Preferred Supplier List in place (sighted during the evaluation), version 6, issued November 2017, next review 2020.</i></p>



		<p><i>Evidenced that all the insurance information/certificates of currencies are updated for suppliers on the list.</i></p> <p><b>Cleaning Contractor</b></p> <ul style="list-style-type: none"> <li>• <i>WHS Contractor Management documents (contractor information, hazard identification, induction etc.) were completed</i></li> <li>• <i>JSA – General Cleaning, document date 24/05/2017, JSA signed off by the 2 contract cleaners on 4/5/17 and 9/5/17</i></li> <li>• <i>Site training sign off sheet completed 9/5/17</i></li> <li>• <i>Copies of Police Clearance certificates and Certificate of Currency (insurance)</i></li> <li>• <i>Performance Management Reviews – undertaken every 3 months, last review completed 21/9/2017 (monitoring)</i></li> </ul>
23	3.9.1 C	<p><b>The organisation must ensure that the implementation of relevant inspection and testing procedures are conducted by the relevant, competent person(s)</b></p> <ul style="list-style-type: none"> <li>❖ Information supplied &amp; viewed is in line with the sub elements requirements which include the following- <ul style="list-style-type: none"> <li>▪ TNA/Training plan with appropriate competencies listed for positions and undertaken.</li> <li>▪ Calendar of events is in place. Note: This is being transferred to Sky trust which will be enhanced by the notifications/escalation option.</li> <li>▪ Competencies reviewed and recorded for 'External testing services', e.g. mechanical, electrical, chains slings, and extinguishers.</li> <li>▪ Service contracts arrangements and testing/maintenance results (registers) in place, retained and maintained.</li> <li>▪ Mechanical fleet testing and maintenance conducted by internal and external appropriately qualified persons.</li> <li>▪ Internal D &amp; A testing is conducted by appropriately trained internal staff and secondary test by external providers with appropriate competencies.</li> <li>▪ Workplace inspections/audits are undertaken by appropriately trained and qualified internal personnel with verification audits.</li> </ul> </li> </ul>
27	4.1.1 N/C	<p><b>The organisation ensures planned objectives, targets and performance indicators for key elements of program(s) are maintained and monitored</b></p> <ul style="list-style-type: none"> <li>▪ East Waste have a Planning and Program Development Procedure (Incorporating Management Review) in place (version 4, issued 06.07.16, next review 06.07.19).</li> <li>▪ There is a range of good reporting in place (WHS Committee level, Management level and Board level), however at the time of this evaluation, there is no evidence to show that the objectives, targets and performance indicators are monitored and reported on (from the WHS Plan with Programs).</li> <li>▪ The WHS Plan with Programs is monitored via the WHS Committee which senior management attend. <ul style="list-style-type: none"> <li>○ There is evidence of discussions occurring, however this appears to be more on the progression of the actions contained within the Program (rather than focused on the overall objectives, targets and performance indicators).</li> </ul> </li> <li>➤ Information from a range of WHS Committee minutes was evidenced during the evaluation:</li> </ul>

		<p>these are listed in the evaluation workbook. Additional references from procedure are also included in the Workbook for reference of requirements.</p> <p>❖ Reference from the Internal procedure demonstrates examples of additional information required for this sub element-</p> <p><i>4.5.3 The management review should determine the actual results achieved against what was planned, and findings should:</i>  <i>Analyse the level of achievement of documented objectives, targets and performance indicators. Evidence must be provided that demonstrates that analysis has occurred.</i>  <i>Identify and evaluate areas of success as well as areas requiring corrective and preventative action. Corrective action processes need to be documented in the corrective action system.</i>  <i>Confirm the alterations made to the WHS system as a result of legislative, organisational and other relevant changes</i>  <i>Set the direction and focus for future system activity, including measurement outcomes for the next period.</i></p> <p><i>4.5.4 Meeting records must document the outcomes of the management review process.</i></p>
29	5.3.1 C	<p><b>The organisation ensures the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices</b></p> <ul style="list-style-type: none"> <li>EW has in place the appropriate Procedure i.e. Planning and Programme Development and Internal Audit.</li> <li>EW has conducted reviews of policies and procedures in line with legislation and has developed additional procedures and processes to enhance legislative compliance that include- Heavy Vehicles Act –‘fatigue management process’ Fire danger procedure, D &amp; A procedure and testing, smoking</li> <li>It is noted that processes, systems, plant personnel and changes have been undertaken in line with continuous improvement and the meeting of internal and external compliance.</li> <li>Quarterly reports to senior management are conducted –agendas/minutes &amp; corrective actions viewed. WHS and risk information is also reviewed by Easton Waste Board management Authority ( plus subcommittee-Audit &amp; Risk Management)</li> <li>Internal audits are and assessments of performance are undertaken.</li> <li>An annual review is undertaken by the above bodies to monitor and if required direct improvements to organisation systems including that of WHS/HR and overall risk considerations.</li> </ul>

### 3.2 IM System Evaluation Findings

Q #	Sub-Element	Sub-Element Details and Findings Summary
1	1.2.1	<p>Documented job descriptions for all injury management / RTW personnel and where relevant management, supervisors and employees. <b>Conformance with Observation</b></p> <p>RTW is covered in the job description for the injury management / RTW Coordinator</p> <p>At the time of the evaluation, the job description for the contingency person (Manager Corporate Services) did not appear to contain information relating to injury management / RTW.</p> <p>Information is captured in the position description for the claims officer as well as an additional person who is trained in injury management / RTW.</p> <p>Key staff include:</p> <ul style="list-style-type: none"> <li>• Internal RTW Coordinator – Ian Lampre</li> <li>• Contingency Internal RTW Coordinator – Shane Raymond</li> <li>• Claims Officer – Amy Quintrell</li> <li>• Additional trained person – Brian Krombholz</li> </ul> <p>Position description were sighted during the evaluation.</p>
1	1.2.2	<p>Ensuring injury management personnel are competent to administer their role in a reasonable manner. <b>Conformance</b></p> <p>The Internal RTW Coordinator, contingency person and 2 additional people have been trained (attended LGAWCS training on the 22/02/17 (next due in Feb 2020).</p> <p>LGAWCS Managers &amp; Supervisor Training was undertaken on 28/10/2014 by people in the following roles:</p> <ul style="list-style-type: none"> <li>• Operations Manager - Raymond Pawa</li> <li>• Driver supervisor - George Farnden</li> </ul>
1	1.2.3	<p>Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load. <b>Conformance</b></p> <p>The resource allocation appears to be appropriate.</p> <p>East Waste has 2 trained Internal RTW/Claims Coordinators/contingency for this role. In addition to these roles, an additional 2 people have been trained.</p> <p>The Management Team meets on a monthly basis and the WHS Committee meets every 2 months. Incident statistics (including WC/IM/RTW) is a standing agenda item at the meetings.</p> <p>At the time of the evaluation, East Waste have 1 active claim.</p>
1	1.2.4	<p>Suitability of facilities and accommodation to ensure restricted access to information, including maintaining confidentiality during interaction with injured workers and service providers. <b>Conformance</b></p> <p>The facilities appear to be suitable.</p> <p>East Waste's Workplace RTW Procedure details the process for storing and maintaining confidential information.</p> <p>Any confidential discussions (in person or over the phone) that occur with a service provider or injured worker (including RTW meetings) are conducted in a separate office. Confidential RTW files are kept in a locked filing cabinet in this office. Access is limited to authorised persons only.</p> <p>Electronic information/files are stored on the M Drive. This is confidential and secure, with only the appropriate people having access.</p>

1	1.2.5	<p>A Scheme Member is required to appoint a Return to Work Coordinator (IRC) and ensure the person appointed to this role has successfully completed relevant LGAWCS training. Where this role becomes vacant, the Scheme Member is required to re-appoint an employee within 3 months and ensure the employee(s) appointed have received relevant LGAWCS training within 3 months of the appointment being made. <b>Conformance</b></p> <p>East Waste have four staff members who have attended the LGAWCS Return to Work Training for Internal RTW / Claims Coordinators on the 22/02/2017 (next due in February 2020).</p> <p>The following training certificates sighted during the evaluation:</p> <ul style="list-style-type: none"> <li>• Ian Lampre</li> <li>• Shane Raymond</li> <li>• Brian Krombholz</li> <li>• Amy Quintrell</li> </ul>
2	1.6.1	<p>How to report a work related injury <b>Conformance</b></p> <p>Section 1 of the WHS Workplace RTW Procedure – Injury Reporting details roles, action to be taken and timelines covers this information.</p> <p>This is available on the SkyTrust and the M Drive for all staff to access and is a mandatory component of all inductions (induction information sighted during the evaluation).</p> <p>The procedure and other information is also posted on Notice Boards.</p> <p>Sighted the procedure (version 4.0, dated 03/07/2017). The procedure is based on last model procedure issued by the LGAWCS on 3/7/2015</p>
2	1.6.2	<p>The process for lodging a claim for compensation <b>Conformance</b></p> <p>It was confirmed that this information is covered in the Workplace RTW Procedure (section 2: Injury Submit the Claim Forms to LGAWCS).</p> <p>Sighted the procedure (version 4.0, dated 03/07/2017). The procedure is based on last model procedure issued by the LGAWCS on 3/7/2015</p>
3	2.8.5	<p>Where a worker has not returned to pre-injury employment within 6 months from date of first incapacity and is not working to their full capacity, new or other employment options are considered for the worker by the Scheme Member in conjunction with the LGAWCS. <b>Conformance</b></p> <p>It was confirmed that this information is contained in the Suitable Employment Procedure, version 1.0, issued 14/07/16.</p> <p>This procedure is based on the model procedure issued by the LGAWCS on 18/12/2015.</p>
3	2.8.6	<p>Where a Scheme Member does not provide suitable employment to a former work injured employee the Scheme Member notifies and consults with LGAWCS. <b>Conformance</b></p> <p>It was confirmed that this information is contained in the Re-Employment Procedure (Work Injury), version 1.0, issued 14/07/16.</p> <p>This procedure is based on the model procedure issued by the LGAWCS on 18/12/2015.</p>
4	4.1.1	<p>Processes are in place that monitor, measure and review the effective implementation of the injury management system and where relevant, strategies to improve performance of the injury management system are identified. <b>Conformance</b></p> <p>East Waste monitor, measure and review their injury management system. Information is provided to the Management Team and the WHS Committee. Sighted the following WHS Committee minutes:</p> <ul style="list-style-type: none"> <li>• 19/04/2017</li> <li>• 26/06/2017</li> <li>• 24/08/2017</li> <li>• 26/10/2017</li> </ul>

		<p>East Waste also have a program in place (as part of their 2017-2018 WHS Plan with Programs) on Motor Vehicle Incident &amp; Worker Safety.</p> <p>The background for this program is:</p> <ul style="list-style-type: none"> <li>Consistent with East Waste's continuous improvement pathway, continued monitoring and compliance with our overall business objectives is a high priority. A core business objective is East Waste's commitment to Work, Health and Safety. East Waste aim's to protect and monitor the health and safety of all East Waste workers, and minimise the effects of incidents and injuries using the hierarchy of controls. East Waste identifies any improvements to reduce the number of motor vehicle incidents/accidents/near misses and incidents of property damage as an opportunity protect and maintain the health and safety of its workers, stakeholders and general members of the public.</li> </ul> <p>The Objective for this program is:</p> <ul style="list-style-type: none"> <li>For East Waste to see a reduction in the number of motor vehicle incidents/accidents/near misses, and incidents of property damage.</li> </ul> <p>Some specific targets for this program include:</p> <ul style="list-style-type: none"> <li>Implement driver education programs</li> <li>Develop Tree Pruning Register</li> <li>Implement Tree Pruning Register</li> <li>Develop Driver Evaluation Form</li> <li>Implement the use of Driver Evaluation Form</li> <li>Under take driver evaluations</li> <li>Review of work practice and processes in regards to bin collection</li> <li>Implement driver fatigue and Chain of responsibility Program</li> <li>Under Take Drug and Alcohol Testing.</li> </ul> <p>This Program is monitored by the WHS Committee and the Management Team.</p>
4	4.1.3	<p>The Service Standards set out in Schedule 5, Part 2 of the Return to Work Act 2014 are in place.</p> <p><b>Conformance</b></p> <p>It was confirmed that the service standards are available to staff. During the evaluation, copies of the service standards was sighted in 3 locations across the organisation:</p> <ul style="list-style-type: none"> <li>the staff kitchen</li> <li>the training room</li> <li>the driver operation room.</li> </ul>

## 4. Conclusion

I would like to thank all those involved in East Waste's Risk Evaluation.

The risk evaluation process gave East Waste the opportunity to showcase a number of 'Risk Management', Work Health and Safety and Injury Management/return to work systems that are in place.

Please note that evaluation findings can only be provided against the evidence presented at the time and within the evaluation scope. As part of the evaluation scope, we conducted a desktop review of evidence provided and requested additional records and information based on the initial evidence provided, followed by some testing of implementation via staff and management interviews and a site walk around. The timeframe provided for on-site and document review was only two days and hence this can only be a sampling process. We did extend the document review timeframe by another day to review the evidence provided, prior to our evaluation visit.

As indicated in the executive summary and the evaluation findings contained herein, East Waste have areas to focus on during the next two years and should develop an appropriate action plan to review, monitor and complete the actions. Completion of the actions will further improve the overall effectiveness of the Risk, WHS, IM/RTW systems.

In relation to risk management systems, it is suggested that East Waste consider the suggestions provided in relation to reviewing their Risk Management Framework including the further implementation of the system. This will give you a strong foundation and should ensure the required levels of risk mitigation are in place.

We would like to take the time to recognise the significant system build and improvements that have taken place within the organisation. Providing East Waste continue to work in this structured way the system will continuously improve.

We recommend that you work closely with Vicky Smith (your WHS Consultant) going forward to ensure that a planned and prioritised approach is undertaken, in addressing the corrective actions required. Vicky can provide guidance to you on how you might move forward in a way that will provide the best approach for further improvements system in line with your resources and assist with the setting of a programmed body of work for the next 2 years that is achievable and addresses the issues in a systematic way and enables you to achieve the best possible rebate return in line with corrective actions completed.

Please note that action plans need to be submitted for review by the end of January 2018 to address the issues identified in the evaluation (in a systemic way). If you are unclear on how this is to be undertaken or need examples of formats and structures, Vicky will be available to assist in drafting your action plan in order to meet the criteria that is required for approval of these plans and to ensure that the action plans are appropriate for closing out the identified issues in a prioritised, structured and systemic way.

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## 7.4: DRAFT TREASURY MANAGEMENT POLICY

**REPORT AUTHOR:** Manager, Corporate Services

**ATTACHMENTS:** A: DRAFT East Waste Treasury Management Policy

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### Purpose of the Report

To provide the East Waste Board (the Board) with an opportunity to adopt the final draft East Waste Treasury Management Policy.

### Background

A draft East Waste Treasury Management Policy (the Policy) was tabled before the Audit and Risk Management Committee (the Committee) at their 13 November 2017 meeting for consideration and input of members. The Committee made amendments to proposed wordings of the draft at clauses 4.1 and 4.6, which referred to the balance of funds to be held in any operating account by East Waste and resolved the following:

#### **5.3 DRAFT TREASURY MANAGEMENT POLICY**

*Moved Mr Muhlhausler that the Committee recommend the DRAFT East Waste Treasury Management Policy as amended be adopted by the East Waste Board*

*Seconded Mr Hall*

***Carried***

The draft Policy (as amended) was tabled before the Board at their 16 November 2017 meeting, where the following was resolved:

#### **7.2 TREASURY MANAGEMENT POLICY**

*Moved Cr Hockley that the Board note the report and instruct the General Manager to undertake further refinement, particularly around the definitions and re-present in February 2018 through the Audit & Risk Management Committee Meeting.*

*Seconded Mr Bradley*

***Carried***

### Report

As per the resolution of the Board, the attached draft Policy, as presented in Attachment A, was tabled before the Committee at their 13 February 2018 meeting. The Committee resolved the following:

#### **4.5 DRAFT TREASURY MANAGEMENT POLICY**

*Moved Cr Hockley:*

*That the Committee recommends the draft East Waste Treasury Management Policy as presented in Attachment A, be adopted by the East Waste Board.*

*Seconded Mr Barone*

***Carried***

The attached draft policy is now presented to the Board as per the recommendation of the Committee.

### RECOMMENDATION

**That the Board adopt the East Waste Treasury Management Policy as presented.**





<b>Policy:</b>	Treasury Management
<b>Responsibility for Review:</b>	General Manager
<b>Relevant Legislation:</b>	<i>Local Government Act 1999</i>
<b>Relevant Documents:</b>	East Waste Charter
<b>Policy Superseded by this policy on its Adoption:</b>	N/A
<b>Adoption Authority:</b>	East Waste Board
<b>Date of Adoption:</b>	
<b>Minute Reference for Adoption:</b>	
<b>Next Review:</b>	No later than November 2020

## 1. PURPOSE

The Treasury Management Policy sets the principles and criteria with regard to East Waste's treasury (cash) management in the context of the Annual Plan and Budget, Long Term Financial Plan and associated projected and actual cash receipts and outlays. It outlines how required borrowings will be raised, if relevant, when and how reserves are created and maintained and how cash and investments will be managed to fund East Waste operations.

This Treasury Management Policy establishes a decision framework to ensure that:

- Funds are available as required to support approved outlays;
- Interest and other risks are acknowledged and responsibly managed; and
- The net interest costs associated with borrowing and investing will be selected to deliver the best value for East Waste over the longer term.

## 2. POLICY SCOPE

This policy applies to all financial assets/liabilities and reserves, including finance leases except for the following specific exclusions:

- Creditors and Provisions; and
- Bank Guarantees.

## 3. DEFINITIONS

### Bank Guarantee

A promise made by a bank to provide payment to East Waste in the event of default.

### Borrowings

Cash received from another party in exchange for future payment of the principal, which normally includes interest and other finance charges.~~An amount of money or monies owed by East Waste to a lender for which East Waste agrees to pay the lender interest.~~

### Cash Advance

A loan where principal amounts can be repaid at any time and interest is only payable on the amounts of principal outstanding.

## **~~Debenture Loan~~**

~~A fixed interest rate loan issued by a reputable and creditworthy issuer.~~

## **Depreciation**

The annual allocation of cost to reflect an asset's service potential over its useful life, which is included in the operating cost of the service that the asset is providing.

## **Distribution**

Distributions (either by cash or in-specie asset) are payments made to Constituent Councils that reflect the distribution of accumulated profit earned by the Authority. Distributions are not recorded as an Operating Expense – they are recorded as a reduction in Equity on the Authority's Balance Sheet.

## **Financial Sustainability**

Is achieved where planned long term service and infrastructure levels and standards are met without unplanned increases in collection fees or disruptive cuts to services.

## **Fixed Interest Loan**

A loan where the interest rate is unchanged over the term of the loan.

## **Net Financial Liabilities**

~~Equals total liabilities less financial assets, where financial assets for this purpose include cash, investments, receivables and prepayments. This is a measure of the extent to which East Waste is managing its debt. It can highlight that borrowings are often an effective means of financial stability, rather than trying to fund all assets and services from operating income.~~

## **Rebate**

A Rebate is a reduction in the previously estimated service fee (applied through Common Fleet percentage) charged to Constituent Councils. A Rebate is recorded as a reduction in Operating Revenue in the period it is applied.

## **Surplus Funds**

~~Funds over and above a level which is required to meet East Waste's immediate and short-term and short-term working capital requirements. An amount of funds leftover when requirements have been met.~~

## **4. POLICY STATEMENT**

### **4.1 Investments**

The following statement is made with consideration to, and in accordance with, the requirements of Clause 61 of the East Waste Charter – Distributions to Constituent Councils. Clause 61 states:

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

Any funds that are not immediately required for operational needs and cannot be applied to either reduce existing borrowings or avoid the raising of new borrowings will be invested in accordance with this Policy.

Investments will be made in a prudent manner having regard for the prevailing economic climate, projected interest rate movements and future cash requirements.

Cash investments are to be limited to:

- Deposits with the Local Government Finance Authority.

Unless it is financially advantageous to do so, the maturity date for fixed term investments should not exceed a point in time where the funds could otherwise be applied cost effectively to either defer the need to raise new borrowings or reduce the level of East Waste's existing borrowings.

All investments are to be made exercising care, diligence and skill in the consideration of:

- The purpose of the investment;
- The likely income return and timing of income return;
- The period in which the investment is likely to be required;
- The cost of making and maintaining the investment;
- An assessment on future interest rate movements;
- The liquidity and marketability of the proposed investment; and
- An assessment of future cash flow requirements.

## **4.2 Surplus Funds**

Clause 61 of the East Waste Charter – Distributions to Constituent Councils sets out the requirements East Waste must adhere to with respect to the treatment of surplus funds. Clause 61 states:

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

If and when a sufficient surplus is realised and subject to a decision of the East Waste Board in accordance with Clause 61, surplus is to return to Constituent Councils.

## **4.3 Borrowings**

Borrowings are not a form of revenue and do not replace the need for East Waste to generate sufficient operating revenue to service its operating requirements.

Undertaking borrowings gives rise to both an asset (the cash it provides) and a liability (the obligation to repay the money borrowed).

Borrowings are a useful and valid mechanism to:

- Establish new long term assets that will service Constituent Councils and their residents; and
- Manage timing differences between operating cash inflows and outflows.

East Waste may borrow in accordance with Clause 10.11 of the East Waste Charter which states East Waste may:

*‘borrow or raise money within borrowing limits.’*

East Waste manages its funds holistically within the constraints of the Annual Plan and Budget and Long Term Financial Plan.

All borrowings are to be made exercising care, diligence and skill in the consideration of:

- Current risk profile;
- Current economic factors;
- The period over which the funds are likely to be required;
- Expected short and long term view of interest rate trends;
- East Waste’s overall debt maturity profile and mix;
- Cost of funding;
- Cost differentials between fixed and variable facilities;
- Long term capacity of repayment of loans;
- The rationale for the borrowings; and
- The cost of making and maintaining the borrowing.

#### **4.4 Authority to Borrow**

In accordance with Clause 11.3 of the East Waste Charter, the Board may not delegate the power to borrow money or obtain any other form of financial accommodation unless authorised in an Annual Plan.

Budgeted borrowings that are not taken out within the financial year for which they are approved are not carried over into the following year and the delegated authority to borrow those funds lapse. A new budgeted borrowings limit is then established as part of the following year’s budget.

#### **4.5 Quotations**

East Waste will utilise the Local Government Finance Authority as its primary supplier when undertaking new borrowings or investing surplus cash. The Local Government Finance Authority provides significant support to the industry and applies bonus return payments to Councils and Subsidiaries from its profits.

From time to time, at intervals of no more than every two years, at least two competitive quotes will be sourced, compared and documented against the Local Government Finance Authority to ensure they continue to deliver the value to the community (after taking into account all relevant factors, including bonus amounts paid and bonus discounts received).

#### **4.6 Maintain Sufficient Funds to Meet Liabilities**

In order to ensure liabilities are met as and when they fall due and to maintain business continuity, East Waste Executive Administration shall maintain a suitable balance of funds held in any operating account to meet current period financial obligations. These limits shall be considered when preparing the Annual Plan and Budget, Budget Reviews and Long Term Financial Plan.

East Waste's Executive Management team will monitor the level of cash equivalents on a weekly basis.

#### **4.7 Reporting**

On or before 30 November each year, the East Waste Board shall receive, via the Audit and Risk Management Committee, a specific report regarding treasury management performance relative to the criteria specified in this policy.

This report will highlight:

- The amount of each East Waste borrowing and investment, its interest rate, maturity date and any changes in holdings since the previous report; and
- If applicable, the proportion of fixed interest rate and variable interest rate borrowings at the end of the reporting period.

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**7.5: REVIEW OF SUB-DELEGATIONS**

**REPORT AUTHOR:** Manager, Corporate Services  
**ATTACHMENTS:** A: DRAFT Instrument of Sub-delegations

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**Purpose of the Report**

To provide the East Waste Board (the Board) with an opportunity to adopt the final draft Instrument of Sub-delegations.

**Background**

The draft Instrument of Sub-delegations was initially tabled before the East Waste Audit and Risk Management Committee (the Committee) at their April 2017 meeting seeking input and commentary, and resolved the following:

**1. PURCHASING AND DELEGATIONS**

*Moved Mr Muhlhausler that the Report is noted, and suggested amendments be incorporated into the final draft to be tabled at the June Audit and Risk Committee meeting*

*Seconded Mr Hall*

***Carried***

The amended draft was tabled at their June 2017 meeting and recommended to the East Waste Board for adoption.

At the East Waste Board meeting held 29 June 2017 the Board resolved:

**8.4 FINANCIAL DELEGATIONS**

*Moved Cr Busato that the Board notes the report and instructs the Business Improvement Manager (Corporate) to include the Boards input into the DRAFT Instrument of Delegations before the final DRAFT Instrument of Delegations is tabled before the Board in September*

*Seconded Cr Piggott*

***Carried***

**Report**

An amended draft was presented to the Committee at their 13 February 2018 meeting, which included amendments instructed by the Board, General Manager input and alignment with East Waste's Procurement Policy. The Board instructions particularly related to the authorised amounts outlined in Section 3 of the draft and alignment with East Waste's Procurement Policy.

The delay in tabling the amended draft before the Committee and the Board can be attributed to internal East Waste staffing changes i.e. appointment of new General Manager in August 2017 and alignment of the sub-delegations with East Waste's amended Procurement Policy, which is tabled for consideration of the Board at this meeting also. At their meeting held 13 February 2010 the Committee resolved the following:

**4.6 REVIEW OF FINANCIAL DELEGATIONS**

*Moved Mr Leigh Hall:*

*That the Committee recommends the draft Instrument of Delegations as presented in Attachment A and as amended, be adopted by the East Waste Board.*

*Seconded Mr Muhlhausler*

***Carried***

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The amendments proposed by the Committee relate to the General Manager's authorisation amount to account for payments made to creditors and the delegation stipulation to be adhered to when transferring funds from East Waste's bank account. These amendments have been included in the attached draft and are highlighted in yellow for easy reference.

**RECOMMENDATION**

**That the Board adopt the East Waste Instrument of Sub-delegations as presented.**

## Eastern Waste Management Authority Inc (East Waste)

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

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

#### 1. FUNCTIONS NOT DELEGATED BY THE GENERAL MANAGER

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



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

## 1.2 APPROVE TRAVEL

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

## 2. HUMAN RESOURCE DELEGATION

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

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

	<ul style="list-style-type: none"> <li>▪ <i>Business Improvement Manager – Operations</i></li> <li>▪ <i>Incident and Quality Control Officer</i></li> <li>▪ <i>Operations Manager</i></li> </ul>
Complete Return to Work form(s)	<ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Incident and Quality Control Officer</i></li> <li>▪ <i>Manager, Corporate Services</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> <li>▪ <i>Finance &amp; Executive Administration Officer</i></li> </ul>
Lodge documents with LGRS	<ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Incident and Quality Control Officer</i></li> <li>▪ <i>Manager, Corporate Services</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> <li>▪ <i>Finance &amp; Executive Administration Officer</i></li> </ul>
Appoint to the WHS Committee	<ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> </ul>
Appoint a Fire Warden	<ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Incident and Quality Control Officer</i></li> <li>▪ <i>Manager, Corporate Services</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> </ul>
Appoint a WHS representative	<ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Manager, Corporate Services</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> <li>▪ <i>Incident and Quality Control Officer</i></li> </ul>
Appoint a First Aid Officer	<ul style="list-style-type: none"> <li>▪ <i>General Manager</i></li> <li>▪ <i>Manager, Corporate Services</i></li> <li>▪ <i>Business Improvement Manager – Operations</i></li> <li>▪ <i>Incident and Quality Control Officer</i></li> <li>▪ <i>Operations Manager</i></li> </ul>

### 3. FINANCIAL DELEGATION

Position	Amount Authorised (excluding GST)
General Manager	\$250,000*
Manager, Corporate Services	\$50,000
Business Improvement Manager – Operations	\$50,000
Finance and Executive Administration Officer	\$10,000
Operations Manager	\$5,000
Incident and Quality Control Officer	\$5,000
Administration Officer - Workshop	\$500
Customer Service Officers	\$500 (stationery purchases only)

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

#### Financial Delegation

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

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

#### Petty Cash Authorisations

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

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

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

#### 4. POSITION TITLES

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

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

## 7.6: REVIEW OF GOODS AND SERVICES POLICY

**REPORT AUTHOR:** Manager, Corporate Services  
**ATTACHMENTS:** A: Purchase of Goods and Services Policy (current)  
B: East Waste Procurement Policy (proposed)

### Purpose of the Report

To provide the East Waste Board (the Board) with an opportunity to adopt East Waste's (amended) Procurement Policy.

### Background

East Waste has and continues to comply with legislative requirements relating to procurement activities and practices. East Waste has since May 2013 complied with and undertaken procurement activities in accordance with the attached Purchase of Goods and Services Policy (Attachment A). This policy was established in consideration and adherence to:

- Section 49 – Contracts and tenders policies of the *Local Government Act, 1999* (the Act); and
- Clauses 39.1.2 and 63 of the East Waste Charter.

Section 49 – <i>Local Government Act 1999</i>	<p>(a1) A council must develop and maintain procurement policies, practices and procedures directed towards—</p> <p>(a) obtaining value in the expenditure of public money; and</p> <p>(b) providing for ethical and fair treatment of participants; and</p> <p>(c) ensuring probity, accountability and transparency in procurement operations.</p> <p>(1) Without limiting subsection (a1), a council must prepare and adopt policies on contracts and tenders, including policies on the following:</p> <p>(a) the contracting out of services; and</p> <p>(b) competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and</p> <p>(c) the use of local goods and services; and</p> <p>(d) the sale or disposal of land or other assets.</p> <p>(2) The policies must—</p> <p>(a) identify circumstances where the council will call for tenders for the supply of goods, the provision of services or the carrying out of works, or the sale or disposal of land or other assets; and</p> <p>(b) provide a fair and transparent process for calling tenders and entering into contracts in those circumstances; and</p> <p>(c) provide for the recording of reasons for entering into contracts other than those resulting from a tender process; and</p> <p>(d) be consistent with any requirement prescribed by the regulations.</p> <p>(3) A council may at any time alter a policy under this section, or substitute a new policy or policies (but not so as to affect any process that has already commenced).</p> <p>(4) A person is entitled to inspect (without charge) a policy of a council under this section at the principal office of the council during ordinary office hours.</p> <p>(5) A person is entitled, on payment of a fee fixed by the council, to a copy of a policy under this section.</p>
Clause 39.1.2 of the East Waste Charter	The Authority must, in consultation with the Constituent Councils, prepare and adopt and thereafter keep under review policies on contracts and tenders, as would conform to Section 49 of the Act.
Clause 63 of the East Waste Charter	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.

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The policy is now overdue for review and as such was tabled before the East Waste Audit and Risk Management Committee (the Committee) Meeting held 13 February 2018. The Committee resolved the following:

**4.7 REVIEW OF GOODS AND SERVICES POLICY**

*Moved Cr Hockley:*

*That the Committee recommends the draft East Waste Procurement Policy as presented in Attachment A and as amended, be adopted by the East Waste Board.*

*Seconded Mr Muhlhausler*

***Carried***

**Report**

Committee amendments to the draft policy (Attachment B) are included and highlighted in yellow for easy reference.

It is proposed that the Board consider Attachment B as East Waste's preferred Procurement Policy moving forward. This draft is consistent with the requirements of the Act and East Waste Charter, and also aligns with Procurement Policies adopted by East Waste's Member Councils.

The proposed policy is contemporary, meets legislative and auditing requirements and is supported by the Instrument of Sub-delegations.

**RECOMMENDATION**

**That the Board adopt the East Waste Procurement Policy as presented.**





## **Eastern Waste Management Authority**

Trading As

**East Waste**

# ***Purchase of Goods and Services Policy***

**Adopted: May 2013**

This Policy has been developed and adopted by the Eastern Waste Management Authority to ensure a fair, transparent and accountable process in the purchasing of goods and services

## Policy statement

The Eastern Waste Management Authority (The Authority) trading as East Waste is committed to ensuring a fair, transparent and accountable process in the purchasing of goods and services.

Clause 10.9 of the Authority's Charter states (in part) that the Authority has the power to "*acquire any real or personal property in accordance with the Business Plan or otherwise with a Unanimous Decision of the Constituent Councils*". Clause 63 of the Authority's Charter states that "*The Authority may acquire such assets (real or personal) as its Business Plan provides or otherwise pursuant to a Unanimous Decision of the Constituent Councils.*"

## Principles

This policy has been prepared to encapsulate the following principles:

- (a) Quotations/tenders should encourage open and effective competition for East Waste's business.
- (b) East Waste must be, and must be seen to be, a fair and even-handed purchaser by all existing and potential suppliers.
- (c) The confidentiality of supplier information is to be protected where the supplier requests it.
- (d) Obtaining value in the expenditure of public money.
- (e) Administrative procedures to support East Waste's policy should be designed to contribute to cost effectiveness and operational efficiency.
- (f) Where the purchase of goods, materials or plant and equipment involves implications for the safety, health and welfare of East Waste's employees, the employees involved will be consulted prior to the purchase.

## Contracting out

East Waste will provide waste management services in the most effective manner possible, using a balanced mix of contractors and East Waste employed labour, whichever is appropriate, taking into account the need for specialist short term skills and equipment needs, balanced against the need to maintain a strong East Waste employed skills base enabling the provision of a range of services and the provision of good governance.

East Waste will periodically review the contracting out of goods and services to ensure that the services provided are delivered in the most efficient, effective and economical manner measured against comparable services being delivered by comparable organisations.

## Quotations and tenders

All invitations to tender must specify a closing date. The General Manager may extend a closing date where the General Manager can show sound cause. All persons who have picked up a tender document must be notified of the extension with at least three business days notice.



Tenders received before the closing date will remain unopened and placed in East Waste's locked cabinet.

As soon as practicable after the closing date the tenders shall be opened by two staff members consisting of:

- (a) The General Manager or if he/she is not available, the Office Manager, plus
- (b) The Office Manager (if not deputising for the General Manager) or the Operations Manager.

The date and time of opening the tenders will be marked in the tender book and all persons present will sign the book.

Where the value of the tenders exceeds the delegated purchasing authorities approved by East Waste or exceeds the budget, a report with evaluations on the tenders received shall be submitted to the East Waste Board for approval.

Where a tender has been let and additional works of a similar nature are required in the same financial year, the General Manager may utilise the same contractor, without the need to recall tenders, provided the unit rate has a variance of no greater than +5% and the project remains within the budgeted allocation.

### **Conflict of interest**

*Conflict of Interest* is a legal term and legislation provides the strict legal definition. It is however generally accepted that the term has a broader interpretation which relates to any set of circumstances which has the potential to compromise fairness and the public interest.

A conflict can arise when a person has the *potential* to be influenced, or *appear* to be influenced, by personal or private interests. It is generally accepted that where such a conflict exists, it should be resolved in the public interest, as opposed to the individual private interest.

All employees have public responsibilities and duties and therefore need to take care that they are not seen to be gaining a private benefit or avoiding private detriment by the nature of their position. Employees should at all times be guided by legislation when dealing with *Conflict of Interest*, ie all employees must ensure that there is no conflict between personal interests, or those of people closely associated with them and the performance of their duties.

Perceptions of conflict of interest are as important as actual conflicts of interest. In many cases, only the individual will be aware of the potential for conflict. There are legal requirements to reveal any specific interests where conflict could arise. Additionally, even if a matter only appears to create a conflict with their public duties, employees must declare an interest at the earliest opportunity.

Employees should advise the General Manager in writing if there could be a situation involving a potential conflict of interest. If in doubt, employees should seek guidance from the Executive Officer, and if necessary, legal advice will be sought.

## Purchase of goods and services

Goods and services will be obtained by use of an official order, however in urgent cases goods and services may be ordered subject to confirmation by an official order within five business days.

Official East Waste orders will be:

- (a) Signed by an officer authorised by East Waste to sign such orders.
- (b) Numbered sequentially and stocks of unused orders will be kept in the custody of the Office Manager.

The following persons have delegated authority to sign purchase orders and contracts for the purchase of goods and services on behalf of East Waste.

TITLE		LIMIT \$ (GST excl)
General Manager	Goods and Services	\$ 50,000
	Professional Services	\$ 50,000
Office Manager	Goods and Services	\$ 5,000
Operations Manager	Goods and Services	\$ 5,000

In exercising this authority, delegates are required to comply with the East Waste Charter and the following in determining the limit of the delegation:

- (a) For a single item normally and appropriately purchased as a single item, the value of that item.
- (b) For several identical items purchased at or the same time and not separately, the total value.
- (c) For component parts of an item normally and appropriately purchased separately, the value of that component.
- (d) For service contracts the estimated annual value.

The General Manager may invoke and revoke delegated authority for the signing of purchase orders exercising due consideration to the requirement to maintain effective internal control without impeding the operational efficiency of the organisation.

East Waste officers with delegated authority will, when making decisions under this Policy, act in accordance with East Waste's budget, relevant policies, plans, agreements, resolutions etc.

## Purchase methods and requirements

Wherever possible and if considered practical and cost effective by the General Manager or his authorised delegate, period contracts are to be negotiated for the supply of goods and services where they are consumed on a regular basis.

The following are the "minimum requirements" for the purchase of **Goods and Services**. Additional criteria can be applied.



**(1) Up to \$5,000 - 3 quotations required**

East Waste administration will not necessarily seek written quotations providing that:

- Officer records the details of any verbal quotations obtained
- Rates are considered reasonable and consistent with normal market rates for items of a like manner. The selection process and reasoning is to be documented.
- Requirements are not being split into components or a succession of orders for the same goods or services.
- Before the purchase order is signed it will include, where possible, an estimate of the cost of the goods and services so ordered.
- In an emergency or where there is only 1 supplier and it is not appropriate to obtain 3 quotes, purchases can be made on a discretionary basis as long as the Officer is satisfied that the purchase price is reasonable and competitive and that the circumstances are recorded.

**(2) Over \$5,000 and up to \$50,000 – 3 written quotations**

The following procedures are to be applied in calling for written quotations:-

- Obtain at least three written quotations;
- Officers calling and receiving written quotations shall note in the file;
- Reasons for selecting the 3 or more organisations for quotes;
- The detailed description of the goods and services for which quotations are required;
- The organisations invited to submit quotations;
- The name of the person giving the quotation;
- The reason for accepting a quote that is not the lowest;

In an emergency or where there is only 1 supplier and it is not appropriate to obtain 3 quotes, purchases can be made on a discretionary basis as long as the Officer is satisfied that the purchase price is reasonable and competitive and that the circumstances are recorded. Purchases exceeding \$50,000 (GST exclusive) must be submitted to the East Waste Board for approval.

The results should be notified in writing to all persons who provided quotations.

The benefits of Written Quotations are:

- Puts the procurement on a more formal footing;
- May be used where specifications are long and/or in any other cases where telephone quotes would not be feasible;
- Allows several requisitions for like items to be combined as one quotation request - saving time and possibly attracting cost savings;
- Enables a greater section of the market place to be canvassed;
- Before the purchase order is signed it will include, where possible, an estimate of the cost of the goods and services so ordered.

### **(3) Over \$50,000 - tender process**

The following procedures are to be applied in calling tenders:

The General Manager is responsible for administration of East Waste's tender process.

Tenders shall be called for the purchase of all goods, equipment commodities and services, where the total actual gross cost of each item inclusive of any trade-in is expected to exceed \$50,000 (GST exclusive).

A tender process shall take the following form:

- Public tender invitation through advertisements in the appropriate paper or by submitting tender documents to known suppliers (minimum of 3 suppliers);
- Full details of the works or services and an appropriate specification must be supplied to persons submitting tenders;
- Tender evaluation criteria to be included in the tender specification;
- If applicable, a briefing date is to be included in the tender specification for all persons submitting tenders to view the landfill site;
- Documentation of process to be filed;
- Tenders are to be placed in the tender cabinet;
- Evaluations to take place by East Waste officers;
- Recommendation to be put to the next East Waste Board meeting;
- The successful contractor to be engaged under one of East Waste's standard conditions of contract.

**Government contracts:** Where East Waste has access to, Government contracts either State or Federal, the General Manager or his authorised delegate may elect to purchase against such contracts where appropriate, except for purchases expected to cost in excess of \$50,000 (GST exclusive).

### **Tender process**

#### **(1) Tender register**

A register shall be maintained for the duration of the tender period. The register shall record the names, contact addresses and telephone and facsimile numbers of all persons collecting tender documents. The register shall be used for the forwarding of tender addenda to contractors as the need arises.

A written addendum notification shall be given to all proposed tenderers of any change to documentation or additional information. An addendum shall not be issued any later than five days prior to the closing date of tenders unless the closing date is extended.

## **(2) Tender submission**

### **(a) Tender Cabinet**

A lockable tender cabinet shall be located in the East Waste Office.

### **(b) Receiving of tenders**

Tenders received are to be:

- Clearly marked as to the time of receipt by East Waste staff.
- Placed unopened into the locked tender cabinet.
- If received after the closing time then the time and date received shall be marked on the document together with **LATE TENDER**.

## **(3) Tender opening**

### **(a) Opening tenders.**

- The tenders shall be opened as soon as practicable after the nominated closing time.
- Opened tenders shall be recorded in the tender book.
- Information contained in the tenders shall be treated as confidential.

### **(b) Late tenders**

- Tenders received after the closing time and date **may not** be considered. Tenders received after other tenders have been opened **will not** be received.
- Reasons for acceptance or non-acceptance must be documented.

### **(c) Tenders received by Fax/Email.**

Tenders received by fax/email shall be accepted as long as the original documents are received within 2 days.

## **(4) Evaluation of tenders**

### **(a) General**

East Waste recognises that the lowest priced tender does not necessarily represent the best solution or best value for the purchase of a particular good or service.

Other factors must be taken into account including:

- Relevant experience
- Past performance history
- Technical expertise
- Management capability
- Ecological impact of product production or disposal
- Environmental impact of service provision
- Financial position
- Compliance with tender documentation
- Compliance with OH&S



The tender specification document will identify the selection criteria to be used in the assessment of tenders.

#### **(b) Selection Panel**

A selection panel may be established for the evaluation of each tender. The panel is to be established by the East Waste Board prior to the closing of the tenders.

The panel may comprise of the following members, namely:

- General Manager
- Office Manager
- Operations Manager
- Chair
- Directors

It may be necessary in some tender evaluations to obtain the specialised services of an outside person in the selection of evaluation criteria. In these circumstances an additional person may be invited to be a member of the panel.

All panel participants shall not have a personal interest in the evaluation outcome and all information contained in the process shall remain confidential.

The role of the panel is to:

- Select the evaluation criteria that are seen as being appropriate for the tender.
- Ensure consistency of approach and that the tenders are evaluated according to the evaluation criteria and priorities advised to all tenderers through the conditions of tender documentation.

#### **(c) Comparative Evaluation Matrix**

The evaluation criteria that have been determined by the selection panel shall be rated in accordance with their perceived importance to the project

#### **(d) Price Comparison**

The weighting that price is given shall reflect the perceived risk associated with the purchase of the good or service. As an example, in purchasing computer software, the panel could decide that technical performance commands a higher rating than price.

#### **(e) Tender Recommendation**

The selection panel shall prepare a report to the East Waste Board meeting detailing the recommendation to award a contract.



The selection panel should deal with all tenders received, both conforming and non-conforming, and report on the tenders -

- In writing clearly stating the reasons for preferring one tenderer over another including the following:
  - the tender evaluation matrix.
  - a summary of each tender submission.
  - comments on the evaluation criteria for each tender.
- Outlining budget implications.
- Recommending a preferred tender.

#### **(5) East Waste Board consideration**

The East Waste Board will consider the tenders "In confidence" and the decision will be recorded in the public minutes.

#### **Contract award**

##### **(1) Awarding of Contract**

The successful tenderer shall be notified as soon as practicable through the issuing of a letter of acceptance.

The letter of acceptance shall contain the following information:

- a confirmation of the contract number and title.
- a statement that the submitted tender with details of post tender negotiations (if any) has been accepted by East Waste.
- a requirement to execute a formal instrument of agreement.
- a request to provide copies of insurances as required under the contract documentation.
- confirmation of the Superintendent, if required.

##### **(2) Unsuccessful Tenderers**

Once the contract has been signed all unsuccessful tenderers shall be notified in writing on the outcome of their tender. Information provided shall be as follows:

- a confirmation of the contract number and title.
- the name of the successful tenderer.

##### **(3) Debriefing to Unsuccessful Tenderers.**

From time to time unsuccessful tenderers may request further information in order to learn from the tender experience. In these circumstances a member of the evaluating panel may discuss the evaluation process in general terms.

The information supplied shall be sensitive to the general commercial in confidence requirements of the other tenderers.

## **Purchase of goods & services**

In fulfilling East Waste's purchasing role, the following principles will apply:

- Consistency with and relevance to East Waste's Business Plan.
- Transparency and accountability in purchasing procedures and practices to ensure that East Waste purchases at the best price and that all potential suppliers are given equal opportunity to provide the required goods and services.
- Compliance with statutory and other obligations.
- Commercial confidentiality.

### **(1) Purchasing options**

Generally, East Waste will purchase goods through adoption of the following approaches:

- Direct purchase – where there is only a single supplier or the particular circumstances involvement of only one potential supplier.
- Quotation – seeking quotations from two or more suppliers.
- Selected Tender – seeking tenders from a limited number of suppliers on the basis of, for example, location, previous performance, the result of an Expression of Interest process.
- Open Tender – seeking tenders from the market at large through an open invitation process e.g. Advertisement.

In identifying the circumstances in which to apply these options, East Waste will consider a number of issues, e.g.

- The number of known suppliers of the goods or services.
- The total estimated value of the purchase.
- Delegation limits taking into consideration accountability, responsibility, operational efficiency and urgency of supply.
- Previous experience with suppliers.
- Compliance with statutory obligations.

## Governance

This Policy will be reviewed every two years by the Board. However, the Board has the discretion to review this Policy at any time in order to take into account any significant new information, legislative, or organisational change which may warrant an amendment to this document.

A review of this Policy will incorporate consultation with the Constituent Councils.

Copies of the Policy are available from the East Waste website [www.eastwaste.com.au](http://www.eastwaste.com.au) or the Authority's office at 1 Temple Court Ottoway SA 5013.

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This Policy was approved by the Board at its meeting on 2 May 2013

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### *Review history*

*Nil*



<b>Policy:</b>	Procurement Policy
<b>Responsibility for Review:</b>	General Manager
<b>Relevant Legislation:</b>	<i>Local Government Act 1999</i>
<b>Relevant Documents:</b>	East Waste Charter East Waste Instrument of Sub-delegations
<b>Policy Superseded by this Policy on its Adoption:</b>	Purchase of Goods and Services Policy – May 2013
<b>Adoption Authority:</b>	East Waste Board
<b>Date of Adoption:</b>	
<b>Minute Reference for Adoption:</b>	
<b>Next Review:</b>	No later than November 2020

## 1. PURPOSE

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

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

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

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

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

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

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

- 1.5.1 obtaining value in the expenditure of public money; and



- 1.5.2 providing for ethical and fair treatment of participants; and
- 1.5.3 ensuring probity, accountability and transparency in procurement operations.

## **2. POLICY OBJECTIVE**

East Waste aims to achieve advantageous procurement outcomes by:

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

## **3. POLICY SCOPE**

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

## **4. POLICY PRINCIPLES**

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

- 4.1 Encouragement of open and effective competition
- 4.2 Obtaining Value for Money
  - 4.2.1 Value for Money involves obtaining goods, works or services for East Waste that best meet the end user's needs at the lowest total cost with the minimal level of acceptable contractual risk;
  - 4.2.2 Value for Money is not restricted to price alone; and
  - 4.2.3 An assessment of value for money must include, where possible, consideration of fitness for purpose, fair market prices, local economic development and whole of life costs;



#### 4.3 Probity and Ethical Behaviour

- 4.3.1 East Waste will not use or disclose information that confers unfair advantage, financial benefit or detriment to a supplier; and
- 4.3.2 East Waste employees engaged in purchasing should at all times undertake their duties in a professional, ethical, honest and impartial manner, act responsibly and exercise sound judgement by observing the highest standards of integrity and professional conduct in line with the Code of Conduct requirements.

#### 4.4 Accountability and Transparency

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

#### 4.5 Ensuring compliance with all relevant legislation

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

#### 4.6 Work, Health & Safety

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

#### 4.7 Sustainable Procurement

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

## 4.8 Environmental Preference

Where appropriate, East Waste will seek to:

- 4.8.1 Promote the purchase of environmentally friendly goods and services that satisfy value for money criteria;
- 4.8.2 Align East Waste's procurement activities with principles of ecological sustainability;
- 4.8.3 Purchase recycled and environmentally preferred products;
- 4.8.4 Integrate relevant principles of waste minimisation and energy;
- 4.8.5 Encourage the development of products and services which have a low environmental impact;
- 4.8.6 Provide leadership to business, industry and the community in promoting the use of environmentally sensitive goods and services.

## 5. APPROVALS REQUIRED

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

## 6. METHODS OF PROCUREMENT

Generally, open and fair competition is achieved by undertaking a procurement process so that all interested parties have an opportunity to bid. However, there may be procurements

in which a tender process will not necessarily deliver the most advantageous outcome for East Waste – in such cases other market approaches may be more appropriate.

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

## 6.1 *Direct Purchasing*

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

## 6.2 *Request for Quotations (RFQ)*

- 6.2.1 This is where East Waste obtains written quotations from prospective suppliers.
- 6.2.2 Generally, a minimum of three written quotations are sought.
- 6.2.3 This method may be suitable for simple, largely price-based purchases.

## 6.3 *Requests for Expressions of Interest (REOI)*

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

## 6.4 *Request for Tender (RFT)*

- 6.4.1 This is where East Waste issues a tender for proposed goods, works or services.
- 6.4.2 East Waste may issue a 'Select' Request for Tender where it has already issued a REOI, or where it has reasonable grounds for only dealing with a select group of potential suppliers.
- 6.4.3 Otherwise, East Waste may issue an 'Open' Request for Tender.



## 6.5 *Panel contracts*

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

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

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

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

## 6.6 *Strategic alliances*

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

6.6.1.1 LGA Procurement;

6.6.1.2 Council Solutions;

6.6.1.3 Procurement Australia;

6.6.1.4 State Government contracts.

## 7. MINIMUM PROCUREMENT REQUIREMENTS

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

### 7.1 Value of the Purchase

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

\*Quotations – must be received in writing

The value of the purchase will be calculated as follows:

- 7.1.1 *single one-off purchase* – the total amount, or estimated amount, of the purchase (excluding GST);
- 7.1.2 *multiple purchases* – the gross value, or the estimated gross value, of the purchases (excluding GST); or
- 7.1.3 *ongoing purchases over a period of time* – the annual gross value, or the estimated annual gross value, of the purchases (excluding GST).
- 7.1.4 Splitting amounts to bring expenditure within lower limits is not permitted.
- 7.2 *cost of an open market approach versus the value of the acquisition and the potential benefits;*
- 7.3 *the particular circumstances of the procurement activity;*
- 7.4 *the objectives of the procurement;*
- 7.5 *the size of the market and the number of competent suppliers;*
- 7.6 *East Waste's leverage in the marketplace;*
- 7.7 *time constraints;*
- 7.8 *a global assessment of the risks associated with the relevant activity and/or project, including the risk profile of the procurement and any risks associated with the preferred procurement method.*

## **8 DELEGATED PURCHASING AUTHORITY**

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

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

## **9 RECORDS**

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

## **10 EXEMPTIONS FROM THIS POLICY**

- 10.1 This Policy contains general guidelines to be followed by East Waste in its procurement activities. There may be emergencies, or procurements in which a tender process will not necessarily deliver best outcome for East Waste, and other market approaches may be more appropriate. This includes when there are timing constraints and where the supply market is known.
- 10.2 In certain circumstances, the East Waste Board or General Manager (where the power is delegated) may waive application of this Policy and pursue a method which will bring the best outcome for East Waste. **The General Manager must record and report its reasons to the East Waste Board for any waiving or deviation from application of this Policy.**

## **11 PROCUREMENT PROCEDURES**

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

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**7.7: ESTABLISHMENT OF GENERAL MANAGER PERFORMANCE REVIEW AND DEVELOPMENT COMMITTEE**

**REPORT AUTHOR:** Chairman

**ATTACHMENTS:** A: DRAFT East Waste General Manager Performance Review & Development Committee Terms of Reference

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**Purpose of the Report**

To seek the advice and input of the Board to the establishment of a General Manager Performance Review and Development Committee (and the associated Terms of Reference of that Committee) supporting good governance practice.

**Background**

The General Manager of East Waste is employed on a 4 year fixed term contract. The functions and expectations of the General Manager are set out under Clause 29.8 of the Eastern Waste Management Authority Charter and the General Manager Position Description which exists as an addendum to the Employment Agreement.

The Employment Agreement has a clause requiring the General Manager and an Executive Committee, appointed by the Board, to undertake a performance review each year. Historically this function has been undertaken by the Independent Chair of the Board, with the opportunity for input from Members of the Board but it has never been formalised as it is envisaged in the Charter.

While the Performance Appraisal process has been satisfactory in the past, the Chairman believes that the process should be more robust, and the Performance Appraisal assessment and the development opportunities better reflecting the business goals/plan of East Waste with the support of a formal General Manager Performance Review and Development Committee.

The employment Agreement also requires the General Manager to complete a six-month probationary period and for an assessment of performance to be completed before the expiry of this time (6 February 2018).

**Report**

With the General Manager's probationary period expiring prior to the formalisation and endorsement of the proposed Performance Review and Development Committee an Independent Consultant, with over 20 years of executive performance experience in both the private and public sector was engaged to assist with the review. Utilising the General Manager Recruitment Committee Panel endorsed by the Board last year (Mr Brian Cunningham, Cr Karen Hockley and Mr Mario Barone) this work has been undertaken and a recommendation report, presented under separate cover (refer Report 8.3) provides further information.

With good governance and risk practices and the General Manager Employment agreement, requiring a performance review committee, it is appropriate for East Waste to formalise the process and establish one. A draft Terms of Reference which sets out the scope and framework of the Committee, are attached for discussion (refer Attachment A). Utilising the skills and knowledge of the consultant engaged to assist with the probationary review, it is proposed that a process would be established whereby the whole Board and other key stakeholders would have the opportunity to provide input into the General Manager's Annual performance review.

At the meeting held 13 February 2018, the Audit and Risk Management Committee supported both the establishment of the General Manager Performance Review and Development Committee and the proposed Terms of Reference.

## **RECOMMENDATION**

**That the Board:**

- 1. Establishes a General Manager Performance Review and Development Committee;**
- 2. Endorse the DRAFT General Manager Performance Review and Development Committee Terms of Reference, as presented in Attachment A.**

## GENERAL MANAGER PERFORMANCE REVIEW AND DEVELOPMENT COMMITTEE

### TERMS OF REFERENCE

1. Establishment	<ol style="list-style-type: none"> <li>1. The Eastern Waste Management Authority (established under Section 43 of the Local Government Act 1999 (the Act), and the GM Performance Review and Development Committee is proposed to assist the Board of the regional subsidiary in the employment and performance management of its General Manager.</li> <li>2. The Committee may be wound up at any time by resolution of the Board.</li> </ol>
2. Title	<ol style="list-style-type: none"> <li>1. The East Waste GM Performance Review and Development Committee shall be known as the “GM Performance Committee”.</li> </ol>
3. Purpose	<ol style="list-style-type: none"> <li>1. The principal objective of the Committee is to guide and develop the General Manager’s performance and development in the role of managing the operations of the Authority, thereby assisting the Board to meet its legislative and probity requirements as required by the <i>Local Government Act 1999</i> (as amended) and other relevant Legislation, Standards and Codes.</li> <li>2. The Committee will assist the Board in monitoring the performance, development, employment conditions and contract of the General Manager.</li> <li>3. The primary objective of the Committee is to assist East Waste in the effective conduct of its responsibilities for human resource management of its primary employee, the General Manager; such process being an important component of effective governance and risk management.</li> <li>4. The Committee is established to assist the co-ordination of relevant performance development and review activities with the General Manager, on behalf of the Board, thus facilitating achievement of overall organisational objectives in an efficient and effective manner.</li> <li>5. As part of East Waste’s Governance obligations to its Constituent Councils, the Board has constituted a Committee to facilitate: <ol style="list-style-type: none"> <li>a. the enhancement of the performance planning and review processes for the General Manager;</li> <li>b. effective management of these processes annually;</li> <li>c. compliance with laws and regulations as well as use of best practice and human resource management guidelines;</li> <li>d. management of employment conditions and the employment contract for the General Manager, including professional development and remuneration review; and</li> <li>e. effective communication between the General Manager and the Board on personal and professional matters; and</li> <li>f. monitoring of the General Managers Key Performance Targets.</li> </ol> </li> </ol>

4. Membership	<ol style="list-style-type: none"> <li>Members of the Committee shall be appointed by the Board of East Waste. The Committee shall consist of three members, one of whom is the Chairperson.</li> <li>Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for decision. The Chairperson has a deliberative vote but does not, in the event of an equality of votes, have a casting vote.</li> <li>The General Manager is an attendee of all meetings and may be responsible for preparing papers for the Committee.</li> <li>Board member appointments shall be for a term of three years, with a staggered rotation of members to support continuity.</li> </ol>
5. Chairperson	<ol style="list-style-type: none"> <li>The Chairperson of the Committee shall be the Chairperson of the Board.</li> </ol>
6. Conflict of Interest	<ol style="list-style-type: none"> <li>Applies to all Committee members as per <i>Local Government Act 1999 Part 4 Division 3</i>.</li> </ol>
7. Register of Interest	<ol style="list-style-type: none"> <li>Division 2 of Part 4, Chapter 5 of the <i>Local Government Act 1999</i> applies to the members of the Committee.</li> </ol>
8. Frequency of Meetings	<ol style="list-style-type: none"> <li>The Committee shall meet at least annually and precede a Board meeting.</li> </ol>
9. Notice of Meetings	<ol style="list-style-type: none"> <li>Ordinary meetings of the Committee will be held at times and places determined by the Committee. A special meeting of the Committee may be called in accordance with the Act.</li> <li>Notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, no later than 3 clear days before the date of the meeting. Supporting papers shall be sent to Committee members (and to other attendees as appropriate) at the same time.</li> <li>In accordance with Section 90(1) of the Act, the notice of Committee meetings shall be communicated to the Board and the public. However, the nature of the business of this Committee is regarded as relevant to Section 90 (3)(a) in that it would involve the unreasonable disclosure of information concerning the personal affairs of a person; therefore, these Committee meetings are not typically open to the public.</li> </ol>
10. Procedures at Meeting	<ol style="list-style-type: none"> <li>As per <i>Local Government (Procedures of Meetings) Regulations 2000 Parts 3 and 4</i>.</li> <li>All business put to the Committee will be brought forward to a meeting by motion, recommendation, staff report or other business.</li> <li>Only members of the Committee are entitled to vote in Committee</li> </ol>



11. Procedures at Meeting (continued)	<p>meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for a decision.</p> <p>4. The Chairperson of the meeting will have a deliberative vote only.</p> <p>5. The Chairperson shall ensure that the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance, are minuted, and that the minutes otherwise comply with the requirements of the <i>Local Government (Procedure at Meetings) Regulations 2000</i>.</p> <p>6. Minutes of Committee meetings shall be circulated within 5 days after a meeting to all members of the Committee and will be tabled to the subsequent ordinary meeting of the Board.</p>
12. Reporting	<p>1. The Committee shall report its activities, findings and recommendations to the Board.</p> <p>2. The Committee shall report annually to the Board summarising the activities of the Committee during the previous financial year.</p> <p>3. The Committee shall review and make recommendations to the Board (where necessary) regarding:</p> <ul style="list-style-type: none"> <li>a. Changes to the employment conditions or contract of the General Manager;</li> <li>b. Remuneration review;</li> <li>c. Any performance concern or issue relating to the conduct of the General Manager; and/or</li> <li>d. Changes to the Terms of Reference for the GM's Performance Committee.</li> </ul>
13. Conflict Resolution	<p>1. Any conflict that arises in meetings between the GM and a member, will be mediated by the Chairperson. If any conflict arises between the Chairperson and the GM, it will be referred to the full Board or an independent mediator.</p>
14. Secretarial Resources	<p>1. The GM's Performance Committee has the power to employ or request any assistance to support its operation; any such person is not a member of the Committee.</p>
15. Quorum	<p>1. The quorum necessary for the transaction of business shall be three members. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.</p>
16. General	<p>1. The Terms of Reference of the East Waste GM Performance Review and Development Committee shall be reviewed at least once every three years, or where legislative changes dictate amendments.</p> <p>2. These Terms of Reference were adopted by the Board on 22 February 2018.</p>

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**7.8: EPA ENEREGY FROM WASTE SUBMISSION**

**REPORT AUTHOR: General Manager**

**ATTACHMENTS: A: Copy of Energy from Waste Submission**

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**Purpose of the Report**

To provide the Board with a copy of the submission to the Environment Protection Authority's Discussion Paper '*Enhancing resource recovery and discussing the place of energy recovery.*'

**Background**

As part of the South Australian Environment Protection Authority's (EPA) broader waste management reforms a discussion paper, *Enhancing resource recovery and discussing the place of energy recovery* (referred to as Energy from Waste) was released and a number of information sessions held late last year.

Energy from Waste is a term used to describe treatment technologies or processes undertaken for the primary purpose of generating and maximising the production of a usable form of energy including heat, electricity, or fuel from waste. A range of these technologies are used widely overseas. As the South Australian industry explores further ways to safely recover resources, it can be expected that the EPA will be required to consider Energy from Waste applications, employing both thermal and biological treatment technologies. Formal submission were required to be received by 5 pm, Friday 12 January 2018.

**Report**

Following attendance at one of the information sessions, discussion with industry peers and operational staff within Member Councils a submission on behalf of East Waste was lodged (refer Attachment A) in early January.

A copy of the submission is attached for Members interest.

**RECOMMENDATION**

**That the Board note and receives the report and submission.**



11 January 2018

Regulatory Reform Projects  
Environment Protection Authority  
GPO Box 2607  
ADELAIDE SA 5001  
Sent via email ([epainfo@epa.sa.gov.au](mailto:epainfo@epa.sa.gov.au))

Dear Sir/Madam,

East Waste on behalf of its Member Councils thank you for the opportunity to comment on the *Enhancing resource recovery and discussing the place of energy recovery* discussion paper (Energy from Waste Discussion Paper), dated October 2017. East Waste would like to acknowledge the Environment Protection Authority (EPA) for taking the lead on enabling discussion around deriving energy from waste and the consultation undertaken to date.

East Waste is a regional subsidiary of seven Councils, being Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood Payneham & St Peters, City of Prospect and the Corporation of the Town of Walkerville. On behalf of these Member Councils, East Waste handles approximately 30% of Adelaide's kerbside municipal waste, organics, and recycling with a modern fleet and shared services model and completes over 10.5 million kerbside bin collections every year.

This submission, is informed by Member Councils, however is not necessarily a reflection of the Member Councils respective views. While East Waste manages contracts on behalf of Member Councils for the receipt and processing of recyclable and green organics material, each Council currently has their own waste disposal contract.

East Waste broadly, is supportive of the development of policy and/or a formal position statement around Energy from Waste (EfW). We believe that through the provision of greater clarity and flexibility, alternate options (or at least the feasibility of them) will result, which in turn will provide Councils and other stakeholders with opportunities to consider the applicability for these and how they match with their financial and environmental capabilities and values. In the establishment however we believe there are a number of key aspects that must be considered and these are discussed in the following. Please note the following points are not considered a fulsome or prescriptive list.



Logically and history confirms, waste will go to the line of least economical resistance. EfW, relatively, sits low on the Waste Management Hierarchy, albeit higher than landfill (dispose) which is currently the typical end point for kerbside municipal waste. Any policy or guidelines around EfW must include measures, controls and/or base criteria to ensure that the material has first been subjected to higher order options. As you would be aware up to 30% of the municipal waste stream is currently made up of food waste which can be recycled through the kerbside organics bin. Ensuring that recoverable material such as this is undertaken prior to any disposal and/or treatment must be pursued. EfW source material must be constrained to true residual waste only.

We would recommend the guidelines must also guard against EfW becoming a quick fix to commodity downturns and fluctuations within the waste industry. The current challenges faced as a result of the China Sword provide the perfect example. Alternative markets, establishment of local markets and/or focus on local circular economies must always be the primary focal points. These obviously are longer-term options which cannot be quickly implemented in response to market variability and therefore continued investment, research and promotion into the successful establishment of these is imperative. Additionally EfW must ensure it does not abdicate extended producer responsibility, packaging minimisation strategies and other higher order waste options.

Critical to any alternate waste disposal/treatment discussion is clarification on whether a levy will be applied. The solid waste disposal levy currently makes up approximately 75% of Member Council waste to landfill costs and clarifying the rate, (if a levy is to be applied to primary EfW material) is critical to determining the viability of the establishment of a EfW industry and secondly, the viability for Councils to confidentially enter into long-term contractual arrangements. Without this the feasibility of EfW as a current alternative cannot be meaningfully undertaken with any confidence.

In the event no levy is applied, a transparent discussion on how the shortfall in funding that the solid waste disposal levy currently derives is going to be met by the State Government, needs to be undertaken.

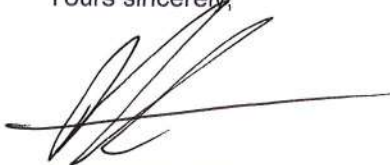
Along similar lines it is important that the environmental footprint of any EfW plant is fully understood. Councils and other potential contract holders are likely to consider and balance environmental and economic benefits when determining the merits of waste treatment/disposal options. As such any policy or guideline must require EfW projects to fully articulate environmental lifecycle analysis and how various input materials affect this.

As stated earlier further development of policy and guideline material around EfW options is fully supported by East Waste. Providing greater clarity on the feasibility of EfW options either at a micro or larger-scale allow fulsome discussion and distilling of all components.

EfW may well provide a real, viable and socially acceptable component to our waste management issues in the future and determining the parameters, extent and applicability of this is critical. However, EfW cannot, and should not, be looked at in isolation and while it may very well provide an option and/or part of the waste market and minimisation of waste to landfill in the longer term, it is important that it is not pursued to the detriment of ongoing higher order research, continued resource recovery education, programs and development of local circular economy opportunities.

Once again thank you for the opportunity to provide comment and East Waste looks forward to continuing to be involved with the EPA in waste related discussions. If you require any further information regarding this submission, please do not hesitate to contact me on 8347 5111 or email [robg@eastwaste.com](mailto:robg@eastwaste.com).

Yours sincerely,



**ROB GREGORY**  
**GENERAL MANAGER**

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**7.9: Annual Plan Progress Report**

**REPORT AUTHOR: General Manager**

**ATTACHMENTS: A: Year to Date Annual Plan Matrix**

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**Purpose of the Report**

To provide the Board with an update on the implementation of the activities endorsed in the 2017/2018 Annual Plan.

**Background**

Nil

**Report**

The attached matrix provides a snapshot update as to the progress of the Annual Plan implementation.

This is a standing item on the Board Agenda.

**Recommendation**

**That the report be received and noted.**

## Attachment A – Year to Date Annual Plan Matrix

### Annual Plan 2017 - 2018

Activities	Annual Plan Reference	Commenced	Completed	Comments (as at 11/02/18)
Consultative Committee	3.1.1	x	x	Committee established & first three meetings held.
Risk Management Software (Skytrust)	3.1.2	x	x	Installed & reporting underway. Feedback on functionality and useability presented to LGRS
Payroll Software Integration	3.1.3	x		Full integration delayed due to Key personnel resignation. Full integration to occur by end of Financial Year
Business Continuity ITC	3.1.4	x	x	Transfer to cloud based storage completed
Service Level Agreements (SLAs)	3.1.5			Proposed to carry Action forward to 2018/19 Financial Year
Detailed Investigation into Gas Fleet	3.2.1	x		Preliminary Reviewed. Proposed alteration to Program as part of Annual Plan 2018/19
Purchase of 4 Robotic Arm Collection Vehicles (RAC)	3.2.2	x	x	Completed
Receipt of Recyclables Contract (Auditing)	3.2.3	x		Audits not required (seeking confirmation from SKM regarding City of Prospect).
Hard Waste Services	3.2.4	x	x	All Member Council's now utilising EW for Hard Waste Collection.
Multi-Unit Dwellings/Council Vehicles	3.2.5	x		Preliminary work undertaken.
Generator (back-up power supply)	3.2.6	x		Proposed alteration to Program as part of Annual Plan 2018/19
Bin Sensor Technology (public place bins)	3.2.7	x	x	Installations across four (4) Council's
Litter Collection Services	3.2.8	x	x	City of Campbelltown commenced.
Weekly Organics Collection Analysis	3.2.9	x		Independent analysis received and currently being reviewed.
WHS Committee Meetings	3.3.2	x	x	Meeting schedule being adhered to. Ongoing.
Independent Fleet Audit	3.3.3	x	x	Audit completed and required works completed or scheduled.
Certificate IV in Training and Assessment	3.3.4	x	x	Key staff identified and training commenced
Why Waste It? Phase 2 Rollout	3.4.1	x	x	Phase 2 rollout commenced. My Local Services App actively progressed.
Operations Assistance Committee	3.4.2	x	x	Ongoing and effective. Quarterly meetings scheduled.
Staff Satisfaction Survey (Full)	3.4.3	x	x	Pulse survey only due. Anticipated commencement in Fourth Quarter
Customer Satisfaction Survey (Full)	3.4.4	x	x	Pulse survey only due. Anticipated commencement in Fourth Quarter
10 Year Business Plan Consultation	3.4.5			Proposed alteration to Program as part of Annual Plan 2018/19