



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

**TUESDAY 19 NOVEMBER 2019**

Notice is hereby given that a meeting of the Audit and Risk Management Committee of the Eastern Waste Management Authority will be held in the Mayor's Parlour, City of Norwood, Payneham, & St Peters, **175 The Parade, Norwood** on Tuesday 19 November 2019 commencing at 8:30am.

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**ROB GREGORY  
GENERAL MANAGER**



**EASTERN WASTE MANAGEMENT AUTHORITY**  
**AGENDA**

**AUDIT AND RISK MANAGEMENT COMMITTEE**

**Meeting to be held on Tuesday 19 November 2019**

**Commencing at 8:30am, in the Mayor's Parlour – 175 The Parade, Norwood**

- 1. PRESENT**
- 2. APOLOGIES**
- 3. CONFLICTS OF INTEREST**
- 4. CONFIRMATION OF THE MINUTES:**
  - 4.1 *MEETING HELD 17 SEPTEMBER 2019*
- 5. MATTERS ARISING FROM THE MINUTES**
- 6. QUESTIONS WITHOUT NOTICE**
- 7. REPORTS**
  - 7.1 *OPERATING WORKING CAPITAL REQUIREMENT..... pg. 6*
  - 7.2 *FINANCIAL STATEMENTS: BUDGET REVIEW ONE ..... pg. 9*
  - 7.3 *TREASURY MANAGEMENT PERFORMANCE REPORT ..... pg.16*
  - 7.4 *FLEET ASSET MANAGEMENT PLAN ..... pg.23*
  - 7.5 *LONG TERM FINANCIAL PLAN – PRINCIPLES & ASSUMPTIONS ..... pg.32*
  - 7.6 *INDEPENDENT MEMBER APPOINTMENT ..... pg.34*
  - 7.7 *2020 MEETING SCHEDULE ..... pg.57*
- 8. CONFIDENTIAL REPORTS**
  - 8.1 *RFT 2019-03 ..... pg. 58*
  - 8.2 *RECRUITMENT OF INDEPENDENT CHAIRPERSON (VERBAL UPDATE)*
- 9. OTHER BUSINESS**
- 10. NEXT MEETING OF THE AUDIT COMMITTEE**
  - 10.1 The next Audit and Risk Management Committee Meeting is scheduled to be held on:  
*11 February 2020 (TBC)*
- 11. CLOSURE OF MEETING**



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

held on Tuesday 17 September 2019 in Meeting Room 2, City of Norwood Payneham & St  
Peters, 175 The Parade, Norwood

Meeting opened at 8:34am.

**1. PRESENT**

Mr Paul Di Iulio	Chairperson
Mr Tim Muhlhausler	Independent Member
Mr Mario Barone	Committee Member
Cr G Piggott	Committee Member

**IN ATTENDANCE**

Mr Rob Gregory	General Manager
Mr Shane Raymond	Manager, Corporate Services
Ms Kelly Vandermoer	Finance & Executive Administration Officer
Mr John Jovicevic	Dean Newbery & Partners
Mr D Papa	Bentleys

**2. APOLOGIES**

Nil

**3. CONFLICTS OF INTEREST**

Nil

**4. CONFIRMATION OF THE MINUTES – 11 JUNE 2019**

Moved Mr Barone that the Minutes of the previous meeting held on Tuesday 11 June 2019 be received and noted.

Seconded Mr Muhlhausler

**Carried**

**5. MATTERS ARISING FROM THE MINUTES**

Nil

**6. QUESTIONS WITHOUT NOTICE**

Nil

**7. STAFF REPORTS**

**7.1 EAST WASTE FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2019**

**RECOMMENDATION**

Moved Mr Barone that the Committee recommend;

1. That the draft FY2019 audited Financial Statements as presented in Attachment A are endorsed and forwarded to the East Waste Board.

2. That the Board wait until Budget Review 1, where it can be considered in context, before making a decision regarding the treatment of the operating surplus.

Seconded G Piggott

**Carried**

***Mr Papa left the meeting at 9:07am.***

## **7.2 REGULATION 10 FINANCIAL REPORT 2018**

### **RECOMMENDATION**

Moved Mr Muhlhausler that the Committee recommend that the Regulation 10 Financial Report as presented in Attachment A is endorsed and forwarded to the East Waste Board.

Seconded Mr Piggott.

**Carried**

## **7.3 DRAFT ANNUAL REPORT 2018/19**

### **RECOMMENDATION**

Moved Mr Muhlhausler that the Committee note and receive the draft of the 2018/2019 East Waste Annual Report and recommend for presentation to the East Waste Board.

Seconded Mr Barone

**Carried**

## **7.4 REVIEW RISK REGISTERS**

### **RECOMMENDATION**

Moved Mr Muhlhausler that the Committee supports the presentation of the reviewed East Waste Risk Registers to the East Waste Board for their review and endorsement.

Seconded Cr Piggott

**Carried**

## **7.5 PUBLIC INTEREST DISCLOSURE ACT 2018 POLICY/PROCEDURE**

### **RECOMMENDATION**

Moved Mr Barone that the Committee note the DRAFT East Waste Public Interest Disclosure Act 2018 Policy/Procedure, as amended, and recommends it to the East Waste Board for endorsement. The amendments being:

1. The Manager, Corporate Services is made East Waste's responsible Officer, rather than the General Manager; and,
2. The Audit & Risk Committee are referenced in clause 3.5

Seconded Cr Piggott

**Carried**

## **7.6 INDEPENDENT MEMBER TERM EXPIRY**

### **RECOMMENDATION**

Moved Cr Piggott that the Committee;

1. Notes the Report and recommends to the East Waste Board to consider sourcing a new Independent Member by approaching Member Councils (in writing) seeking their recommendation of suitably qualified person(s)

2. The Board review the Terms of Reference to ensure a process is in place that ensures the expiry of the terms of tenure for the independent members is staggered to minimise the loss of knowledge and expertise of the independent members all at the same time.

Seconded Mr Barone

**Carried**

## **7.7 AUDIT IMPLEMENTATION PROGRESS REPORT**

### **RECOMMENDATION**

Moved Mr Barone That the Committee notes the finalisation of actions of the 2018 Accounts Payable and Payroll Audit recommendations.

Seconded Mr Muhlhausler

**Carried**

## **8. CONFIDENTIAL REPORTS**

### **8.1 RFQ 2019/01 – PROVISION OF KERBSIDE BIN AUDIT SERVICES**

#### **RECOMMENDATION 1**

Moved Mr Muhlhausler that pursuant to Section 90(2) and (3) of the Local Government Act, 1999 the East Waste Audit & Risk 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 & Risk 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 & Risk Committee is satisfied that, the principle that the meeting 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 Piggott

**Carried**

#### **RECOMMENDATION 3**

Moved Mr Barone under Section 91(7) and (9) of the Local Government Act 1999 the East Waste Audit & Risk Committee orders that the report, attachment(s), discussion and minutes be kept confidential until the contract is executed.

Seconded Mr Muhlhausler

**Carried**

## **9. OTHER BUSINESS**

### **9.1 RECRUITMENT OF INDEPENDENT CHAIR (verbal)**

Mr Gregory provided a verbal update regarding the progress of the recruitment of a new Independent Chairperson.

Moved Mr Muhlhausler that The Committee acknowledge the input of both Independent Chairperson, Brian Cunningham, and Independent Member, Leigh Hall, for their role on the East Waste Audit & Risk Committee.

Seconded Mr Barone

**Carried**

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

The next Audit and Risk Management Committee Meeting is to be held on Tuesday 19 November, 2019, commencing 8:30am, Location TBA

**11. CLOSURE OF MEETING**

There being no other business the meeting closed at 9:37am.

**PRESIDING MEMBER**

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**DATE**

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## 7.1: OPERATING WORKING CAPITAL REQUIREMENT

REPORT AUTHOR: General Manager  
ATTACHMENTS: Nil

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### Purpose of the Report

To provide the Audit and Risk Management Committee (the Committee) with additional information relating to the working capital fluctuations of the Authority and estimated future cash flow projection assumptions, prior to presentation to the Board.

### Background

A founding financial principle of East Waste is to conduct its operations under a business model which aims to operate on a 'cost recovery' basis for all activities and services. Waste management service fees annually set by East Waste are aimed to appropriately recover for the actual cost of providing services to Constituent Councils and to ensure that all financial obligations of the Authority are appropriately met at all times.

Through the annual budget formulation process, the Authority strives to set a budget at the commencement of each financial year that meets these objectives. Given the variabilities associated with running a large waste collection fleet and a workforce to deliver waste services across seven Constituent Councils, it is unrealistic to expect that the fees set at the commencement of the financial year will be consistently achieved.

The annual Financial Statements of the Authority over recent years has reported Cash and Cash Equivalent closing balances held in the vicinity of between \$1.2M - \$2.5M depending on working capital fluctuations as at reporting date. Historically, there has not been a rationale provided as to the 'appropriate quantum' of cash the Authority should hold as a minimum at the end of each financial year and has at times been perceived as an 'excess' amount which the Authority needs to retain.

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.*

Section 4.2 of the East Waste Treasury Management Policy provides further direction by stating:

*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.*

The Authority receives the majority of its annual operating income via quarterly Common Fleet Costing payments made from Constituent Councils in advance for the following three-monthly waste collection services. Other operating income sources are charged throughout the financial year through Constituent Councils reimbursing (at cost) waste processing fees and directly from members of the public for additional services (which are passed through to the relevant Constituent Council) after the Authority has incurred these costs.

East Waste incurs significant monthly operational expenses, periodic loan repayments and capital costs (excluding fleet replacement costs) which are funded primarily from available cash reserves sustained from Common Fleet Cost charges. The timing and amount of these payments vary considerably during the financial year, and from year to year, depending on the timing of events and operational requirements (e.g. timing of

loan repayments, repairs and maintenance requirements, timing of capital acquisitions, employee leave and termination payments, etc.).

Table 1 below shows the level of fluctuation over the past 12 months of cash held by East Waste that evidences the variable nature of the timing of when some costs are incurred. The recent level of the cash funds held by East Waste as at 30 June each year (circa \$2M), generates ongoing discussion and questioning in relation to why such an assumed 'high level' of cash is held and what would be a 'more appropriate level'. This culminated in the Board at the June 2019 meeting resolving (in part):

## 7.2 DRAFT 2019/20 ANNUAL BUSINESS PLAN & BUDGET

*Moved Mr Bradley that the Board:*

3. *Requests Administration to develop a report ahead of the review of the Long-term Financial Plan which assesses the most appropriate cash reserve level to be held by East Waste in order to ensure its financial security.*

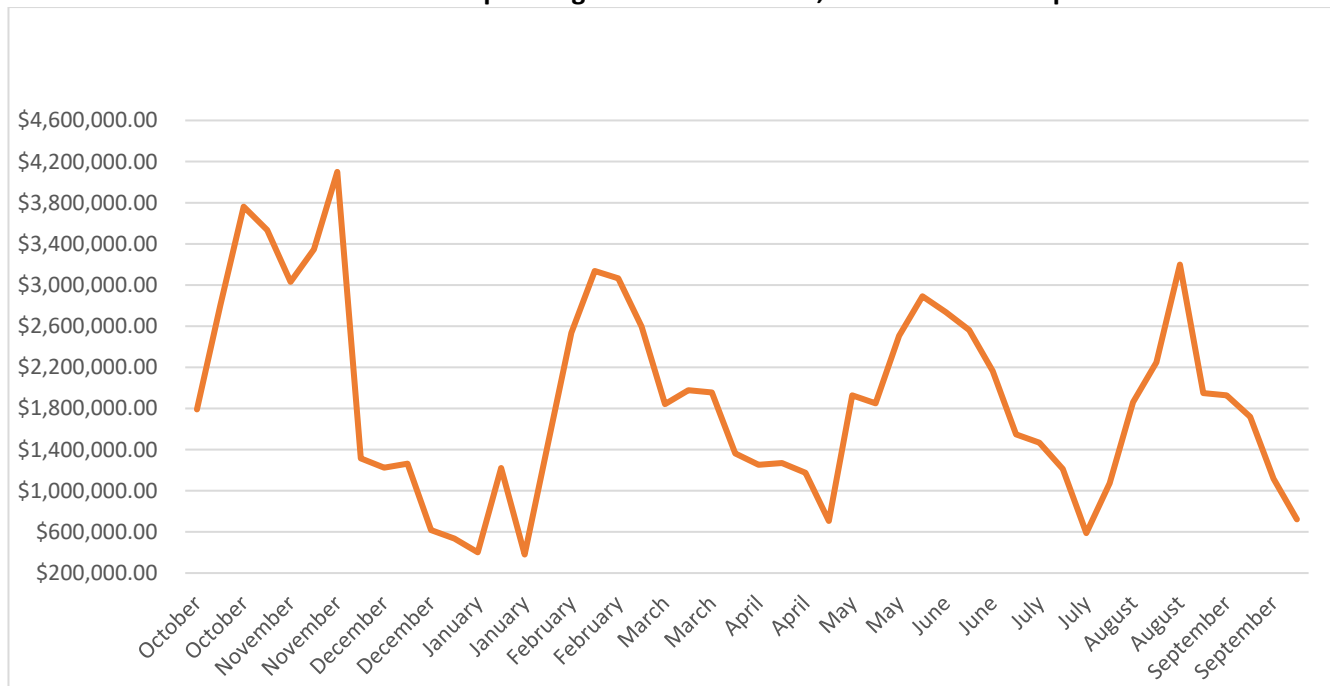
*Seconded Cr Green*

**Carried**

### Report

Table 1 demonstrates that the level of cash reserves held by the Authority over the last 12 months is appropriate when considering the timing of when East Waste recognises its income relative to the timing of when costs are incurred. Most notable, the cash reserves of the Authority can be seen to drop to below \$0.4M in January 2019 before increasing again to \$3.14M in February 2019 when Quarter 3 Common Fleet Cost invoices are paid.

**Table 1. Actual East Waste 12-month Operating Cash Flow Balance, October 2018 – September 2019.**





In analysing the data contained in Table 1, had East Waste had \$0.4M less funds available at the start of the financial year, it would have potentially had a funding short-fall and been required to use a short-term overdraft or a Cash Advance Debenture (CAD) facility to meet its financial obligations in January 2019.

Similarly, Table 1 demonstrates that in April 2019 and July 2019, cash reserves held fell to \$0.706M and \$0.587M respectively.

To also put the above cash balances reported in Table 1 into perspective, \$0.4M may appear to still be a large amount, however with weekly creditors and wages typically being around \$0.15M per week and monthly creditors circa \$0.3M - \$0.45M, it provides a buffer of less than one-months outgoings. Administration therefore views the retention of \$0.4M in cash reserves as an absolute minimum operational buffer required at any point in time before having to consider the potential activation of the accessible overdraft facility (currently a \$1M CAD facility held with the LGFA).

Timing of invoicing Constituent Councils, loan repayment schedules and creditor payments have all been investigated as options to minimise the variance experienced, however none of the identified options provide outweighing benefits (that is the issues or changes caused create further problems).

It is also important to note that while income from year to year is relatively consistent in timing and quantum, weekly expenditure can vary markedly, depending on the timing of taking possession of replacement fleet (and associated commencement of loans), ATO obligations/payments (and credits), fuel pricing cycles and other equipment failures and operational expenses. Table 1 above also accounts for any short-term investments made during this period, ensuring that a complete cash at hand picture is presented.

To assist the Board (and Audit and Risk Management Committee in making recommendations to the Board) in making future decisions around the appropriateness of the cash reserve level, additional information for the following quarter will be included within the Financial Statement report will at a minimum include:

- Current cash balance;
- Forecasted LGFA payment obligations;
- Loan draw-downs to fund fleet replacement;
- Forecasted ATO obligations (October and November BAS payments); and
- Any CAPEX expected.

Particularly for Budget Review One this will allow for a more informed decision on the treatment of the 2018/19 Operating Surplus.

## **RECOMMENDATION**

**The Committee note the annual fluctuation in the Operating Cash Flow Balance and supports the inclusion of additional information within the standing Financial Report to assist decision making around shortfalls or surpluses in funds.**

## 7.2: FINANCIAL REPORT – BUDGET REVIEW ONE

**REPORT AUTHOR:** General Manager  
**ATTACHMENTS:** A: Budgeted Statement of Comprehensive Income FY2020  
 B: Budgeted Balance Sheet as at 30 June 2020  
 C: Budgeted Statement of Cash Flow FY2020  
 D: Budgeted Statement of Changes in Equity FY2020  
 E: Budgeted Uniform Presentation of Finances Statement FY2020

### Purpose of the Report

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

### Background

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

### **DRAFT 2019/20 ANNUAL BUSINESS PLAN & BUDGET**

*Moved Mr Bradley that the Board:*

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

*Seconded Cr Green*

***Carried***

### Report

Budget Review One is forecasting a revised FY2020 Operating Surplus of \$166,600 which is a \$29,000 increase on the Original Adopted Budget. Key financial risks and most material budget items continue to be closely monitored and tracked by the Administration.

Table 1 summarises the year to date performance as at 30 September 2019 against full year budget for key risks and material budget items being monitored by the Administration along with commentary regarding the proposed budget variations.

**Table 1: Key Budget Item Year to Date and End of Year Forecast**

Item	YTD Actuals (as at 30/09/2019)	Proposed Budget Variation	Notes
Recycling Processing Fee	\$0.481M	\$0.434M	Additional costs associated with the Solid Waste Levy, higher contamination rates & continuing depressed recycled materials commodity prices.
Fuel, Gas & Oil	\$0.329M	\$-	Fuel costs are on budget, however the recent sharp spike in prices is likely to impact this in the second quarter.
Interest Expense	\$0.057	-\$0.06M	A detailed calculation on the timing of loans has been undertaken resulting in an anticipated \$60,000 reduction.
Wages & Salaries (incl. Casual Staff)	\$1.272M	\$-	Total Wages and Salaries, inclusive of Superannuation remains on budget, despite two staff payouts and an increase in the use of casual labour hire, above preferred levels.
Legal Fees	\$0.017M	\$-	The first quarter saw a higher than forecasted budgeted spend on legal fees as a result on finalising recycling contract matters. It is not expected that this will continue.

Ottoway Lease Amortisation & Interest	\$0.076M	\$0.043M	As a result of the introduction of Australian Accounting Standard (AASB) 16 Leases, total operating costs have increased over and above the initial leasing forecast for the main site at 1 Temple Court, Ottoway. It should be noted that this is a non-cash impact and accordingly, no additional cost is being passed on through Common Fleet Charges.
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## 2018/19 Operating Surplus

The 2018/19 end of year result saw East Waste return an Operating Surplus of \$136,000.

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.*

Acknowledging this clause and in adopting the end of year financial statements 20 June 2019, the Board resolved at the September 2019 meeting (in part):

## **EAST WASTE FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2019**

*Moved Cr Ashby that the Board:*

- 2. Assess the distribution or otherwise of the 2018/19 Operating Surplus as part of Budget Review 1 deliberations.*

*Seconded Mr Barone*

***Carried***

As per the information in Report 7.1 East Waste's operating cash balance experiences significant fluctuations over the course of the year. East Waste (as at 14/11/19) has a cash balance of circa \$3,600,000 in a combination of cash at hand and short-term investments. No additional income of note is expected until late January and until this point total expenses of circa \$3,400,000 are expected. These expenses include loan repayments wages and salaries, operational expenditure, ATO obligations and Capital Expenditure not funded through loans.

Budget Review One is forecasting East Waste to have a \$0.04M increase in cash on hand compared to the start of the financial year. East Waste will be using \$0.28M of existing cash reserved to fund non-fleet replacement capital costs in FY2020.

Given the matters noted above, Administration recommend that no distribution is paid to Member Councils in the current year given East Waste's working capital requirements to fund financial commitments for the remainder of FY2020.

## **RECOMMENDATION**

**The Committee recommend:**

- 1. Notes and accepts the operating surplus of \$29,000 associated with the 2019/20 Budget Review One and recommends to the Board for endorsement.**
- 2. That for reasons of funding working capital commitments for the remainder of the FY2020, that the 2018/19 operating surplus is retained.**

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

<b>FY 2019</b>		<b>FY 2020</b>	<b>FY2020</b>
<b>Audited Actuals</b>		<b>Adopted Budget</b>	<b>Proposed Budget</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
	<b>INCOME</b>		
15,440	User Charges	15,576	16,010
32	Investment income	30	30
38	Grants, subsidies and contributions	-	-
684	Other	676	676
<b>16,194</b>	<b>TOTAL INCOME</b>	<b>16,282</b>	<b>16,716</b>
	<b>EXPENSES</b>		
5,580	Employee Costs	5,545	5,545
8,229	Materials, contracts & other expenses	8,240	8,411
1,959	Depreciation, amortisation & impairment	1,970	2,222
290	Finance costs	390	384
<b>16,058</b>	<b>TOTAL EXPENSES</b>	<b>16,145</b>	<b>16,562</b>
<b>136</b>	<b>OPERATING SURPLUS / (DEFICIT)</b>	<b>137</b>	<b>154</b>
32	Asset disposals & fair value adjustments	-	13
<b>168</b>	<b>NET SURPLUS / (DEFICIT)</b>	<b>137</b>	<b>167</b>
-	Other Comprehensive Income	-	-
<b>168</b>	<b>TOTAL COMPREHENSIVE INCOME</b>	<b>137</b>	<b>167</b>

**EAST WASTE****PROJECTED BALANCE SHEET (BUDGET)**  
for the Financial Year Ending 30 June 2020

<b>FY 2019</b>		<b>FY 2020</b>	<b>FY2020</b>
<b>Audited Actuals</b>		<b>Adopted Budget</b>	<b>Proposed Budget</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
	<b>ASSETS</b>		
	<b>CURRENT ASSETS</b>		
1,967	Cash & Cash Equivalents	2,233	1,998
717	Trade & Other Receivables	412	717
-	Other Financial Assets	-	-
<b>2,684</b>	<b>TOTAL CURRENT ASSETS</b>	<b>2,645</b>	<b>2,715</b>
	<b>NON-CURRENT ASSETS</b>		
6,100	Infrastructure, Property, Plant & Equipment	6,611	7,487
<b>6,100</b>	<b>TOTAL NON-CURRENT ASSETS</b>	<b>6,611</b>	<b>7,487</b>
<b>8,784</b>	<b>TOTAL ASSETS</b>	<b>9,256</b>	<b>10,202</b>
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITIES</b>		
771	Trade & Other Payables	821	771
1,987	Borrowings	2,287	2,287
540	Provisions	640	500
<b>3,298</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>3,748</b>	<b>3,558</b>
	<b>NON-CURRENT LIABILITIES</b>		
4,702	Borrowings	4,751	5,733
78	Provisions	102	38
<b>4,780</b>	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>4,853</b>	<b>5,771</b>
<b>8,078</b>	<b>TOTAL LIABILITIES</b>	<b>8,601</b>	<b>9,329</b>
<b>706</b>	<b>NET ASSETS</b>	<b>655</b>	<b>873</b>
	<b>EQUITY</b>		
706	Accumulated Surplus	655	873
<b>706</b>	<b>TOTAL EQUITY</b>	<b>655</b>	<b>873</b>

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

<b>FY 2019</b>		<b>FY 2019</b>	<b>FY2020</b>
<b>Audited Actuals</b>		<b>Adopted Budget</b>	<b>Proposed Budget</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>RECEIPTS</b>			
16,572	Operating Receipts	16,252	16,701
32	Investment Receipts	30	30
<b>PAYMENTS</b>			
(5,555)	Employee costs	(5,545)	(5,545)
(8,260)	Materials, contracts & other expenses	(8,160)	(8,594)
(309)	Interest Payments	(390)	(384)
<b>2,480</b>	<b>NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES</b>	<b>2,187</b>	<b>2,208</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>RECEIPTS</b>			
35	Sale of Replaced Assets	35	35
<b>PAYMENTS</b>			
(1,897)	Expenditure on Renewal/Replaced Assets	(2,540)	(2,540)
-	Expenditure of New/Upgraded Assets	-	-
<b>(1,862)</b>	<b>NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES</b>	<b>(2,505)</b>	<b>(2,505)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>RECEIPTS</b>			
65	Capital Contributed by Member Councils	-	65
1,814	Proceeds from Borrowings	2,260	2,260
<b>PAYMENTS</b>			
(1,906)	Repayment of Borrowings	(1,987)	(1,987)
<b>(27)</b>	<b>NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES</b>	<b>273</b>	<b>337</b>
<b>591</b>	<b>NET INCREASE (DECREASE) IN CASH HELD</b>	<b>(45)</b>	<b>40</b>
<b>1,367</b>	<b>CASH &amp; CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>2,278</b>	<b>1,958</b>
<b>1,958</b>	<b>CASH &amp; CASH EQUIVALENTS AT END OF PERIOD</b>	<b>2,233</b>	<b>1,998</b>

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

<b>FY 2019</b>		<b>FY 2020</b>	<b>FY2020</b>
<b>Audited Actuals</b>		<b>Adopted Budget</b>	<b>Proposed Budget</b>
<b>\$</b>		<b>\$'000</b>	<b>\$'000</b>
473	<b>BALANCE AT END OF PREVIOUS REPORTING PERIOD</b>	518	706
168	Net Surplus / (Deficit) for Year	137	167
65	Contributed Equity	-	-
-	Distribution to Councils	-	-
<b>706</b>	<b>BALANCE AT END OF REPORTING PERIOD</b>	<b>655</b>	<b>873</b>

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

FY 2019		FY 2020	FY 2020
Audited Actuals		Adopted Budget	Proposed Budget
\$'000		\$'000	\$'000
16,194	Income	16,282	16,716
16,058	Expenses	(16,145)	(16,562)
<b>136</b>	<b>Operating Surplus / (Deficit)</b>	<b>137</b>	<b>154</b>
<b>Net Outlays on Existing Assets</b>			
(1,897)	Capital Expenditure on Renewal and Replacement of Existing Assets	(2,540)	(2,540)
1,959	Depreciation, Amortisation and Impairment	1,970	2,222
35	Proceeds from Sale of Replaced Assets	35	35
<b>97</b>		<b>(535)</b>	<b>(283)</b>
<b>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>233</b>	<b>Net Lending / (Borrowing) for Financial Year</b>	<b>(398)</b>	<b>(129)</b>



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### 7.3: TREASURY MANAGEMENT PERFORMANCE REPORT

**REPORT AUTHOR:** Manager, Corporate Services  
**ATTACHMENTS:** A: Treasury Management Policy  
B: Performance Report

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#### **Purpose of the Report**

To provide the Audit and Risk Management Committee (the Committee) with a performance report as required by Clause 4.7 of East Waste's Treasury Management Policy.

#### **Report**

This Report (refer Attachment B) is provided in accordance with Clause 4.7 of East Waste's Treasury Management Policy:

#### ***"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."*

No information has been provided in accordance with dot point 2, as this is not applicable to East Waste at this time, as all borrowings are 100% fixed rates.

#### **RECOMMENDATION**

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



<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.

### **Cash Advance**

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

### **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. **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 working capital requirements.

## **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.



Audit & Risk Management Committee  
19 November 2019  
Item 7.3

## 2018/19 TREASURY MANAGEMENT PERFORMANCE REPORT

Borrowings as at 30/10/2019				
Loan #	Amount	Rate	Term	Maturity date
Loan Agreement 2	\$ 873,000.00	6.85%	10 years	19/02/2020
Loan Agreement 4	\$ 1,626,650.00	4.80%	7 years	17/12/2019
Loan Agreement 5	\$ 378,804.00	4.90%	7 years	17/06/2020
Loan Agreement 6	\$ 2,013,491.00	5.35%	7 years	15/01/2021
Loan Agreement 7	\$ 1,743,400.00	4.25%	7 years	15/01/2022
Loan Agreement 8	\$ 1,926,190.00	3.75%	7 years	15/07/2023
Loan Agreement 9	\$ 281,743.00	3.50%	7 years	17/10/2023
Loan Agreement 10	\$ 1,646,244.00	3.85%	7 years	17/07/2024
Loan Agreement 11	\$ 325,369.00	4.00%	7 years	15/09/2024
Loan Agreement 12	\$ 1,813,771.00	4.00%	7 years	15/11/2025
Investments as at 30/10/2019				
Amount	Rate	Term	Expiry	
\$800,000	1.25%	90 days	25/11/2019	

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## 7.4: FLEET ASSET MANAGEMENT PLAN 2020-2030

**REPORT AUTHOR:** General Manager

**ATTACHMENTS:** A: DRAFT East Waste Fleet Asset Management Plan

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### Purpose of the Report

To provide the Audit and Risk Management Committee (the Committee) with an opportunity to provide input and commentary into the updated DRAFT East Waste Fleet Asset Management Plan, prior to presentation to the Board and ultimately incorporation into the East Waste Long-term Financial Plan.

### Background

Administration is currently in the process of undertaking a review of the Long-term Financial Plan (LTFP). A key element of this, given the quantum value of the asset is the collection fleet, which has a replacement value in excess of \$17m.

The initial Vehicle Asset Management Plan, which guided the replacement schedule from 2015 – 2019, had a guiding objective of *‘Ensure a consistent fleet replacement schedule to target a maximum vehicle age of 7 years.’* At the time of development this was thought to be the optimum replacement regime and it has held true and served the Organisation well. In the 5 years since this plan was developed a number of elements have improved throughout East Waste’s operations which has resulted in improved management and maintenance of the truck fleet and data capture to better understand associated costs.

The premise of the 7-year replacement program has been questioned through various forums, including both the Audit & Risk Management Committee and Board Meetings over the past 18 months. Specifically, the questioning has centred around the appropriateness of replacement timeframe and whether a replacement schedule of eight or nine years provides better value.

### Report

In early 2018, East Waste implemented Fleet Maintenance software which enables us to better record and understand fleet costs and the variations experienced across the fleet (eg. age, make, Council). There have been several teething issues with this software, however reliable, albeit shallow data is now being drawn from the system.

An analysis of maintenance costs was undertaken on trucks of varying ages to determine the annual maintenance cost. Scheduled maintenance (250 and 500-hour services) and tyre replacement was not included in these costs as these are relatively standard costs across all fleet. The costs associated with the various aged trucks in Table 1 below, can therefore be assumed as the ‘wear and tear’ costs of the vehicles. Unsurprisingly it shows an increase in maintenance costs as the truck ages.



**Table 1: Maintenance Costs of Collection Fleet Aged, 6, 7, 8 & 9 years old.**

Age of Truck	6 Years	7 Years	8 Years	9 Years
Hrly Maintenance Cost	\$ 5.00	\$ 6.00	\$ 7.50	\$ 13.50
Weekly Maintenance Cost (40hrs)	\$ 200	\$ 240	\$ 300	\$ 540
Annual Maintenance Cost (52 wks)	\$ 10,400	\$ 12,480	\$ 15,600	\$ 28,080
<b>Incremental Age Saving</b>		<b>\$ 2,080</b>	<b>\$ 3,120</b>	<b>\$ 12,480</b>

Table 1 shows that maintenance costs increase by around 20-25% each year between years six to seven and years seven to eight. The total annual maintenance cost increases \$2,080 and \$3,120 respectively across these two years. This demonstrates that on maintenance alone, it can be expected that an eight-year-old truck will only cost an additional \$1,040 when compared to a seven-year-old truck. With all other elements being equal (scheduled servicing, fuel, tyres etc) it is logical for retention of the vehicles for a further year.

The increase in maintenance from eight years, to nine years however is markedly different with an 80%, or \$9,360 increase across the year. In reality this figure is likely to be significantly higher as this data is based on two nine-year-old trucks in the fleet which are predominately used as spare trucks. As such they have completed less hours than the other trucks in the assessment. If they were to operate 'full-time hours' the maintenance costs are likely to be even higher.

The introduction of the City of Prospect and the subsequent need to retain fleet for a further year, ultimately resulted in the replacement program being put a year behind schedule. With a total of 44 collection vehicles in the fleet (37 Side loaders, 3 rear lift trucks and 4 small rear lifts (litter bin trucks)), replacement of 5 per year was not going to meet the seven-year replacement schedule and a catch-up year(s) was being planned. By moving to an eight-year replacement cycle, a minor shortfall (four trucks) still exists, however it is anticipated that this can be addressed in the outward years, or possibly even with the retention of electric vehicles for a longer period. All being equal, over the life of this plan a capital saving over the 10-year period of approximately \$2.0m will be realised and result in the ongoing deferment of capital expenditure beyond this time if collection vehicles are retained for 8 years instead of the current 7.

Commentary and input into the DRAFT Policy is welcomed from the Committee, prior to presenting it to the East Waste Board.

## **RECOMMENDATION**

### **The Committee:**

1. Notes the DRAFT *East Waste Fleet Asset Management Plan 2020 - 2030* and recommend it to the East Waste Board for endorsement.
2. Note the benefits and rationale of extending the retention of collection fleet vehicles for a further year to an eight-year replacement cycle.
3. Support the DRAFT *East Waste Fleet Asset Management Plan 2020 - 2030* for inclusion into the upcoming revision of East Waste's Long-term Financial Plan.

# EastWaste



## Fleet Asset Management Plan 2020-2030

# Table of Contents

Introduction .....2

Future Considerations .....2

Key Principles .....3

Replacement Rationale .....3

Support Fleet .....4

Fleet Asset Replacement Plan 2020 -2030 .....5

# Introduction

East Waste is in a state of evolution as it moves from being solely a waste collector business to resource managers and educators on behalf of our Member Councils. Notwithstanding this, the premise and primary role of East Waste will always remain a waste logistics business, providing high quality efficient and effective kerbside waste collection services to our Constituent Councils. Through the servicing of kerbside waste, recycling and organics bins and street and reserve litter bins, East Waste undertakes over 11.5 million bin lifts and over 30,000 hard rubbish collections per year.

In order to carry this out effectively, East Waste requires a significant fleet of collection and support vehicles. To adequately service the current seven Member Councils, East Waste has a fleet of approximately 44 collection vehicles, with a capital replacement cost in the order of \$17,000,000 (as at November 2019).

This Vehicle Asset Management Plan (2020 – 2030), will guide the procurement and replacement of East Waste's vehicles in conjunction with East Waste's Long-term Financial Plan. It will assist in ensuring the optimum value is derived from the fleet while ensuring East Waste's reputation of maintaining quality vehicles and efficient and effective service is retained.

## Future Considerations

While a solid framework of vehicle replacements has been considered within this plan, it is important to note upfront that East Waste has recently entered uncharted territory with the procurement of South Australia's first fully electric collection vehicle. The performance, longevity and importantly, applicability to East Waste operations of the electric collection vehicle is yet to be fully tested and the outcome of this may result in a significant alteration on the future estimated fleet replacement capital costs and replacement schedule. For the purposes of this plan, and in recognition of East Waste's initial intent, the procurement of additional electric vehicles in outward years has been factored in.

Separate to this, there has been a marked change in the housing demographic within East Waste's Member Council region over the past 5 years, which has seen a number of large-scale multi-unit dwellings and increased urban in-fill development occurring. This is expected to further continue into the foreseeable future and depending upon individual Member Council's development plans for their respective regions, this may result in the current configuration of waste collection vehicles amended to better cater for increased bulk bin deliveries and/or smaller collection trucks to address tight congested on-street parking issues.

# Key Principles

The following key principles have been developed and will be adhered to in the rollout of this Plan.

1. *Appropriate number of waste collection vehicles are purchased and adequately maintained to enable East Waste to continually provide efficient and effective services as required;*
2. *Procurement of fleet assets will be equally distributed year on-on-year to provide a balanced age of fleet;*
3. *Strive to continually improve the environmental performance of fleet vehicles;*
4. *Seek safety, service and performance improvements in procured vehicles in order to continually improve service standards and customer service;*
5. *Maintain a well-presented, professional waste collection fleet;*
6. *Diesel powered vehicles to be replaced on an 8-year cycle, maximising their use before maintenance costs reach estimated unsustainable levels;*
7. *Electric vehicles assumed to be replaced on 8-year cycle. Formal review of electric vehicle performance to be undertaken after 1, 3, 5, and 7 years to determine replacement schedule.*

## Replacement Rationale

The initial Vehicle Asset Management Plan, which guided the replacement schedule from 2015 – 2019, had a guiding objective of:

*“Ensure a consistent fleet replacement schedule to target a maximum vehicle age of 7 years.”*

In the development of the 2020- 2030 Plan, the Administration has extensively reviewed the above guiding principle of replacing collection vehicles every 7 years and supported by analysing maintenance data and other associated costs. In undertaking this review, the Administration has identified that greater optimisation can be achieved by retaining collection vehicles for a further year so that fleet vehicles are retained for an 8-year life span.

Moving forward, this changes the replacement schedule to every 8 years for all existing and, future fleet vehicles expected to be purchased. The slight increase experienced in the maintenance of 8-year-old vehicle versus a 7-year-old vehicle (outside of standard servicing and tyres) does not warrant early replacement. This trend however does not continue into the ninth year with maintenance costs jumping by approximately 80% per year should vehicles be held beyond an 8 year life span.

The addition of this single year to the replacement of collection vehicles is expected to save in the order of \$2.0m over the life of this plan and result in the ongoing deferment of capital expenditure beyond this time.

Due maintenance schedules, servicing and care of the vehicles, retaining the vehicles for a further year importantly does not compromise the presentation of service standards of East Waste’s operations. Where required and/or economically viable, typically key technology enhancements can be retro-fitted to ensure that safety, service and performance improvement continually occur.

Arguably, there is a potential compromise in the environmental performance of the fleet given vehicles will be held a year longer and any technological improvements will therefore not be realised as soon as expected should they be available. The retention of fleet vehicles for a year longer only means the

advancement of the environmental performance does not occur as quickly but importantly, it does not result in a regression of the current environmental performance. All vehicles, regardless of their respective age are still well under emission requirements for safe operation. The incorporation of Electric vehicles into the fleet provides the greatest shift and performance improvement in this space, far outweighing the benefits of the minor improvements in emissions technology incorporated into new collection trucks.

Other key assumptions include an annual 3% increase on purchase costs and \$5,000/vehicle delivery fee.

## Support Fleet

While the waste collection vehicles are central to the delivery of East Waste services, there are several other support and Executive Fleet which are critical to the East Waste operation. These include, the Bin Repair Van, Mechanics Response Ute and Coordinator and Manager's vehicle. These vehicles are not included on the following Fleet Asset Replacement Plan as this is focussed solely on truck replacement.

Other vehicles owned and operated by East Waste will be independently assessed on a case-by-case basis and typically replaced every 2-4 years on a rotational basis in accord with employment contract arrangements, where applicable. The exception to this is the bin repair van, which is anticipated to be replaced every 7 – 10 years (purchased in 2018).

The fundamental principles adhered to in the replacement of all these vehicles will be:

1. Fit for purpose;
2. Fleet diversity; and
3. Minimisation of change over costs.

# Fleet Asset Replacement Plan 2020 -2030

EASTERN WASTE MANAGEMENT AUTHORITY INC									
FLEET MANAGEMENT PLAN 2020 -2030									
Fleet Replacement Schedule									
		Year	1	2	3	4	5	6	7
Fleet #		FY	2020	2021	2022	2023	2024	2025	2026
103	24m3 S/Pak - ELECTRIC VEHICLE		\$ 597,902.00	Dec-19					
104	24m3 S/Pak		\$ 385,355.00	Jan-19					
105	24m3 S/Pak		\$ 385,355.00	Jan-19					
106	24m3 S/Pak		\$ 385,355.00	Jan-19					
107	29m3 S/Pak		\$ 392,559.00	Jan-19					
108	29m3 S/Pak			\$ 392,559.00	Jul-20				
109	29m3 S/Pak			\$ 392,559.00	Jul-20				
110	29m3 S/Pak			\$ 392,559.00	Jul-20				
111	29m3 S/Pak			\$ 392,559.00	Jul-20				
112	29m3 S/Pak			\$ 392,559.00	Jul-20				
LT6	Rear Loader 10 Metre			\$ 264,476.00	Jul-20				
113	24m3 S/Pak - ELECTRIC VEHICLE				\$ 615,689.06	Jul-21			
114	24m3 S/Pak				\$ 396,765.65	Jul-21			
115	29m3 S/Pak				\$ 404,185.77	Jul-21			
117	29m3 S/Pak				\$ 404,185.77	Jul-21			
118	29m3 S/Pak				\$ 404,185.77	Jul-21			
119	29m3 - #78					\$ 416,161.34	Jul-22		
120	29m3 - #79					\$ 416,161.34	Jul-22		
LT 7	29m3 - #80					\$ 416,161.34	Jul-22		
121	Rear Loader - #93					\$ 360,163.00	Jul-22		
122	29m3 - #82						\$ 428,496.18	Jul-23	
123	29m3 - #83						\$ 428,496.18	Jul-23	
124	29m3 - #84						\$ 428,496.18	Jul-23	
125	29m3 - #85						\$ 428,496.18	Jul-23	
126	29m3 - #86						\$ 428,496.18	Jul-23	
127	24m3 - #87- ELECTRIC VEHICLE							\$ 672,316.42	Jul-24
128	24m3 - #88							\$ 433,092.90	Jul-24
129	24m3 - #89							\$ 433,092.90	Jul-24
130	29m3 - #90							\$ 441,201.07	Jul-24
131	29m3 - #91							\$ 441,201.07	Jul-24
132	29m3 - #92							\$ 441,201.07	Jul-24

# Fleet Asset Replacement Plan 2020-2030 (cont)

EASTERN WASTE MANAGEMENT AUTHORITY INC							
FLEET MANAGEMENT PLAN 2020 -2030							
Fleet Replacement Schedule							
		7	8	9	10	11	
Fleet #		2026	2027	2028	2029	2030	
133	24m3 -#94 - ELECTRIC VEHICLE	\$ 692,335.92	Jul-25				
134	24m3 -#95	\$ 445,935.69	Jul-25				
135	29m3 -#96	\$ 454,287.10	Jul-25				
136	29m3 -#97	\$ 454,287.10	Jul-25				
137	29m3 - #99		\$ 467,765.71	Jul-26			
138	29m3 - #100		\$ 467,765.71	Jul-26			
139	24m3 - #101- ELECTRIC VEHICLE		\$ 712,955.99	Jul-26			
140	29m3 - #102		\$ 467,765.71	Jul-26			
141	Rear Loader 12 Metre - LT#5		\$ 324,122.75	Jul-26			
142	24m3 - ELECTRIC VEHICLE - #103			\$ 734,194.67	Jul-27		
143	24m3 -#104			\$ 472,788.67	Jul-27		
144	24m3 -#105			\$ 472,788.67	Jul-27		
145	24m3 -#106			\$ 472,788.67	Jul-27		
146	24m3 -#107			\$ 472,788.67	Jul-27		
147	29m3 - #108				\$ 495,948.15	Jul-28	
148	29m3 - #109				\$ 495,948.15	Jul-28	
149	29m3 - #110				\$ 495,948.15	Jul-28	
150	29m3 - #111				\$ 495,948.15	Jul-28	
151	29m3 - #112				\$ 495,948.15	Jul-28	
152	24m3 - ELECTRIC VEHICLE - #113					\$ 510,676.59	Jul-29
153	24m3 - #114					\$ 510,676.59	Jul-29
154	29m3 - #115					\$ 510,676.59	Jul-29
155	29m3 - #116					\$ 510,676.59	Jul-29
156	29m3 - #117					\$ 510,676.59	Jul-29



## 7.5: LONG TERM FINANCIAL PLAN – PRINCIPLES & ASSUMPTIONS

**REPORT AUTHOR:** General Manager  
**ATTACHMENTS:** Nil

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### Purpose of the Report

To provide an opportunity for the Audit and Risk Management Committee (the Committee) to review and provide input into the DRAFT principles and assumptions put forward in review of East Waste's Long-Term Financial Plan.

### Background

*Clause 43 of the East Waste Charter* sets out the requirements for East Waste to prepare and adopt a ten-year business plan. As part of the business plan, East Waste must also develop a Long-Term Financial Plan (LTFP).

East Waste's LTFP was last adopted in June 2017. A review of the LTFP was due to occur prior to June 2019, however due to the significant shift in the recycling industry market which was occurring at the time, the review of the LTFP was delayed until the completion of the tender process for the Receipt and Processing of Recyclables.

In addition, East Waste is currently in the process of reviewing its strategic ten-year business plan, therefore the timing of the LTFP review needs to be aligned with this process. The DRAFT Objectives of the ten-year business plan will be tabled before the East Waste Board at the November 2019 Board Meeting.

### Report

Prior to presenting a final draft of the LTFP to the Committee and East Waste Board, consideration needs to be given to the key principles and assumptions that will be used to formulate the LTFP. The following draft principles and assumptions are tabled for review and comment of the Committee.

### Principles

- Consistency with East Waste's:
  - ten-year business plan
  - asset management plan
  - annual plans; and
  - Charter.
- Alignment to East Waste's:
  - Treasury Management Policy; and
  - Cash-flow requirements.
- Use of CPI and LGPI forecasts
- Consistency with Member Council Service Level Agreements

## Assumptions

1. The cost of replacing fleet vehicles to be funded via fixed term external borrowings with the LGFA.
2. Lease of Ottoway depot to continue with an annual 4% lease cost increase.
3. Salaries and wages to increase by current EB Agreement rates or in accordance with relevant legislative instruments for the life of the LTFP.
4. Fuel based on annual usage levels and price increases aligned with recent historic data and RAA modelling.
5. 2% growth allowed for in collected volumes of recycling, green organics, residual waste and hard waste.
6. CPI rate to be used as the common annual inflator rate to all costs that do not have a specific/unique cost driver inflator rate applied.
7. CPI increase applied to the Administration Fee charged to Member Councils and for it to be charged equally.
8. CPI assumed to be 2.5%. p.a. for the life of the LTFP.
9. All fleet costs to be reflected in accordance with the Fleet Asset Management Plan.
10. Annual operating surplus budgeted on return on revenue in accordance with targets set within the Budget Framework Policy.

## RECOMMENDATION

**The Committee recommends the presented draft principles and assumptions, as reviewed, be presented to the East Waste Board for their consideration and input.**

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## 7.6: INDEPENDENT MEMBER APPOINTMENT

**REPORT AUTHOR:** General Manager  
**ATTACHMENTS:** A: Expressions of Interest

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### Purpose of the Report

To seek a recommendation of the Audit and Risk Management Committee (the Committee) regarding the appointment of an Independent Member to the Committee.

### Background

At their meeting held 26 September 2019, the East Waste Board (the Board) resolved (in part):

#### **7.7 INDEPENDENT MEMBER TERM EXPIRY**

*Moved Mr Barone that the Board:*

*1. Authorises East Waste's General Manager to seek a new Independent Member of the Audit and Risk Management Committee by undertaking an Expression of Interest process by approaching Member Councils (in writing) seeking their recommendation of suitably qualified person(s).*

*Seconded Cr Piggott*

***Carried***

In accordance with this, East Waste Administration undertook an expression of interest process, which closed on 11 November 2019.

### Report

Six (6) expressions of interest were received from the following suitably qualified persons:

- Mr David Hitchcock
- Ms Brigid O'Neill
- Ms Sandra Di Blasio
- Ms Madeleine Vezis
- Mr Peter Brass
- Mr Geoffrey Purdie

The expressions of interest, which include curriculum vitae's, are provided at Attachment A in no particular order for consideration of the Committee.

### RECOMMENDATION

The Committee notes the expressions of interest received and recommends to the East Waste Board that ..... be appointed as an Independent Member to the Committee.

David Hitchcock  
266 Seacombe Road  
Seacliff Park SA 5049

Kiki Magro  
Chief Executive Officer  
Town of Walkerville

28/10/19

Dear Kiki,

East Waste Audit Committee Independent Member

Thank you for your advice East Waste is seeking expressions of interest from its Member Council Independent Audit Committee Members to sit on its Audit Committee.

I would like to submit my interest in the position and provide the following information for consideration.

I have a wide portfolio of skills and experiences in leading corporate organisation governance processes including extensive Council Executive Management skills and experiences in governance, finance, communications, human resources, corporate affairs, planning and community service delivery.

I also have experience in management of government statutory organisations and community Boards.

See below for further details.

Full Name	David Elton Hitchcock
Residential Address	266 Seacombe Road Seacliff Park 5049
Telephone	0407717368
Email	davidehitchcock@bigpond.com
Local Government Experience	Director Infrastructure, Local Government Association of SA (2010 to 2016) Director, Environment and Development, Manager Finance and Infrastructure, Senior Policy Officer Financial Reform and Economic Development, Local Government Association of SA. (2003-2010)) Chief Executive Officer, District Council of Elliston (1988-2003).
Committee experience	Audit Committee Independent Member, Town of Walkerville, 2017- Australian Local Government Association Board Australian Local Government Association Transport Advisory Committee. Australian Local Government Association representative to COAG Supply Chain Constraints Committee. LGA Metropolitan Local Government Group. Ministerial Review Bushfire Prevention Review Committee. National Local Government Financial Managers Forum. Local Government Transport Advisory Panel.

	<p>Executive Officer South Australian Regional Organisation of Councils (50 Councils).</p> <p>LGA Waste Management Committee.</p> <p>Public Lighting Steering Committee.</p> <p>NRM working Party.</p> <p>Public Libraries Standing committee</p>
Key experiences relevant to the functions of an audit committee	<p>Development and implementation of Local Government Model Infrastructure and Asset Management Plans and Long-Term Financial Management Plans for use by all SA Councils.</p> <p>Development of the LGA Model Financial Statements now adopted within the Local Government Financial Management Regulations.</p> <p>Policy Director lead on introduction of requirement for Local Government to establish Audit Committees.</p> <p>Assisting regional councils in implementing internal financial control structures and mechanisms.</p> <p>Implementation and delivery of Council financial management plan and processes including forecasting, monitoring and building of Council budget.</p> <p>Initiated and delivered Council asset management plan.</p> <p>Chief Executive Officer (Council) responsible for strategic and sustainable delivery of Council operations and services. Executive governance ensuring legislative compliance, planning, economic development and execution of community obligations.</p>
Current employment status	<p>Executive Officer Gawler River Floodplain Management Authority Consultancy - part time consultancy (2017- )</p>
Qualifications	<ul style="list-style-type: none"> <li>• Diploma of Management 2015.</li> <li>• Senior Management Course, Australian Centre for Local Government Studies University of Australia, Canberra.</li> <li>• Certificate Of Registration As Chief Executive Officer 1988 . An applicant for a certificate of registration as a chief executive officer shall: (a) hold the degree of bachelor of business issued by the South Australian Institute Of Technology, having taken the public administration major, local government sub-option; or (b) hold a diploma in local government administration. <i>Local Government (Qualifications Committee) Regulations, 1984</i></li> </ul>

Yours sincerely

*David Hitchcock*

David Hitchcock

# BRIGID O'NEILL

+61 (0)481901056 | brigidoneill@outlook.com

## SUMMARY

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A senior commercial executive and people leader, I have significant expertise in leading complex projects and delivering strategic objectives. Frequently brought in as an executive trouble shooter for specific projects to “make it happen”, I am an exceptional negotiator with strong communication, analytical and lateral problem-solving skills. I am a collaborative leader who strongly supports cultural inclusion in my teams, having an avid belief that diversity leads to better decisions and thus increased performance. I have a reputation for quickly grasping complex issues and have a ‘can do’ approach to delivering fit for purpose solutions. A strong entrepreneurial spirit coupled with a spirited, positive and enthusiastic attitude help me to succeed.

## AREAS OF EXPERTISE

Stakeholder Mgt	Strategic Planning	Conflict Management	People Mgt
Project Delivery	Business Transformation	Supply Chain Mgt	Organisational Change

## CAREER HISTORY

DATE	COMPANY	LOCATION	ROLE
2017 to date	BON Advisory	Adelaide	Consultant
2017 - 2018	Aust. Bragg Centre	Adelaide	Program Director
2016 - 2017	Premier & Cabinet	Adelaide	Commercial & Legal Director
2016	Capita	London	Consultant
2011 - 2015	Sopra Steria	London	Commercial & Legal Director
2010	Babcock International	London	Consultant
2007 - 2009	BT Global Services	London	Consultant
2004 - 2007	Telefonica	London	In-House Solicitor
2003	University of Essex	London	Industry Visiting Fellow (LLM Arbitration)
2003 - 2004	Steptoe & Johnson	London	Private Practice Solicitor
1999 - 2002	Freshfields Bruckhaus Deringer	Paris	Private Practice Solicitor

## BOARD CREDENTIALS

2019 to date	City of Norwood, Payneham & St Peters	Audit Committee Independent Member
2019 to date	Tri Council	Audit Committee Independent Member
2018 to date	Parkinson's South Australia	Non-Executive Director
2018 to date	Stirling East Kindergarten	Governing Council
2013 to date	BlueUK	Advisory Board
2011 - 2013	Powered by Bees	Non-Executive Director
2009 - 2011	Race Antarctica	Advisory Board

## SELECTED EMPLOYMENT HISTORY

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### BON Advisory – Consultant

Jan 2017 to date

- Australian Submarine Corporation (ASC) – Interim General Counsel
- SAHMRI 2 Project – consulting retainer for the provision of project advice and assistance.
- Brain x Body – Commercialisation of start-up to offer brain neuroplasticity training which prevents, reduces, retards and reverses neurological degeneration.
- ClairE – Commercialisation of start-up to offer renewable energy via patent pending hydro technology and patent pending carbon capture device.

**Aust. Bragg Centre for Proton Therapy & Research – Program Director****Nov 2017 to Nov 2018**

- Transferred from Department of Premier & Cabinet (with governmental approval) to assist private partners Commercial & General (developer and investor), South Australian Health & Medical Research Institute (SAHMRI - investor) and ProTom International (equipment vendor and investor) in the establishment of Australia's first proton therapy centre, the Australian Bragg Centre for Proton Therapy & Research. <https://www.australianbraggcentre.com/>
- Responsible for the establishment of Bragg Centre corporate investment structure, corporate services strategy and planning, market identification and pricing, procurement strategy and negotiations, communications strategy, application for Medicare funding for proton therapy, negotiation and drafting of all commercial contracts and forecast financial model.
- Member of the SA Health Proton Steering Committee (chaired by Professor Dorothy Keefe) to establish and agree clinical operating model that met SA Health public health outcomes and standards of care whilst remaining profitable for private sector investors. This included ensuring all services would be appropriately accessible to Australia's diverse population regardless as to socio-economic banding, homelessness status, cultural/linguistic background and/or location in remote aboriginal communities.
- Establishment of organisational structure and human resources strategy and planning to ensure diversity in staff with additional staff members to offer cultural and/or linguistic support specific to certain patient groups.
- Responsible for establishing relationships with international private and public hospitals and medical services providers to create pipeline of international self-funded patients;
- Responsible for strategy planning and designing of innovative technology use in state of the art medical facility both for optimal non clinical patient experience.
- Ownership of operational project budget, delivery against project milestones, project risk management and significant government relations management at Federal, State ministerial and bureaucratic levels across numerous departments.
- Management of the associated infrastructure challenges in the Bio-Medical Precinct that would be exacerbated by the influx of an additional 1,000 employees and 5,000 patients (with their families/carers). These included car parking, child care facilities, accommodation and traffic management.

**Key Achievements**

- Structured a delivery model that achieved the government's desired model of care yet still provided excellent returns for investors (10YR IRR of 48%).
- Successfully passed a federal government mandated audit by Ernst & Young lasting six months which resulted in the confirmation of the \$68 million Federal Government grant.

**Department of Premier & Cabinet – Commercial & Legal Director****Dec 2016 – Oct 2017**

- Responsible for the provision of legal and commercial advice to the Premier and Cabinet on infrastructure projects to deliver the Government's 30 Year Plan.
- Responsible for direct reports and their professional development, training and retention. This included implementing frameworks for identifying and managing employee satisfaction, career growth and subject matter expertise.
- Undertook business case analysis to determine strategic and economic benefit to the State and provide strategic advice on commercial structures, including risk and returns.
- Responsible for the identification of infrastructure projects within the West End Precinct to facilitate organic growth and colocation of diverse industries with associated liaison with private and public sector stakeholders including:
  - Department of Correctional Services regarding the future of the Adelaide Remand Centre and their near-term requirement for additional prison spaces coupled with the Attorney General's Department strategic plans for the implementation of technology step change in the Courts Administration Authority;

- University of South Australia's and University of Adelaide's plans for expansion;
- Arts South Australia's position and strategic plans for the Lion Arts Centre and the creative arts within the precinct coupled with its severe storage restrictions and lack of performance spaces;
- Health Industries' strategic growth plans for the Bio-Medical Precinct on North Terrace West, Thebarton and Tonsley and their transport corridors;
- Renewal SA's plans for the Riverbank Precinct and the old Royal Adelaide Hospital redevelopment (now Lot 14); and
- Adelaide City Council's plans for a SMART Adelaide with the location of numerous advanced technology entities to be based in the precinct.
- SA Government lead on the SAHMRI 2 project (the establishment of a 2nd SAHMRI building and the Australian Bragg Centre for Proton Therapy & Research) which included liaison with:
  - Department for Aboriginal Affairs and Crown Solicitors Office concerning native title and aboriginal heritage legislation;
  - Department of Treasury and Finance regarding SAFA review of business case and SA Government funding conditions;
  - Federal Departments of Health and Prime Minister and Cabinet regarding budget allocation and conditions;
  - Department of Planning, Transport and Infrastructure concerning budgeting, planning and implementation of train control centre relocation to Dry Creek (including managing anticipated industrial relations challenges); and
  - SA Health regarding commercial model, standards of care and cross governmental charging.
- SA Government lead on the Adelaide City Deals project which included:
  - chairing cross governmental steering committee;
  - liaison with Renewal SA, Adelaide City Council, Department of Planning, Transport and Infrastructure, Primary Industries and Regions South Australia, Department of Treasury, Finance and the Department of Environment and Water and Federal Department of Prime Minister and Cabinet; and
  - identification of infrastructure projects with existing feasibility assessments, alignment with near to long term budgetary commitments and preparation of project documentation and presentations to the Federal Government.
- DPC lead on the transformation projects for Cleland Wildlife Park and Dry Creek Salt Pans.
- Establishment of policies and procedures for commercial management and provision of advice to senior executives and staff within the Department on all portfolios.
- Preparation of Cabinet Briefs, Cabinet Notes, Ministerial Advice and other departmental and machinery of government documentation for briefing and decision making; and
- Managed training for project decision analysis and recommended frameworks and systems for measuring project outcomes.
- Liaised with the Federation Digital Transformation Agency,

#### Key Achievements

- Responsible for liaison and lobbying of Federal Government resulting in the 2017 budget announcement of \$68m investment for SAHMRI 2.
- SA Government lead on Adelaide City Deals project to develop >\$400m investment in South Australian economy by all three levels of government and private sector.

#### **Capita, London – Consultant (Fixed Term Contract)**

**Jan – Jul 2016**

*Capita Plc is the UK's leading provider of BPO and professional support services with a turnover of £4.6bn and 75,000 employees*

- Short term contract during preparations to relocate back to Australia to backfill existing role of Commercial & Legal Director.



- Responsible for operational, commercial and legal advice on service delivery in employee benefits sector (including retention policies, professional development allocations, medical and dental care, cars, insurances and superannuation services).
- Responsible for negotiation and finalisation of significant customer contracts, underwriting operational budgets and delivery risk management.
- Established and implemented multi-site process management training program which included recommendations on use of information technology.
- Led change programme to transform bid process (risk identification and management, corporate governance, client engagement model, review of all commercial terms, update of all authorities).
- Managed multi-million pound budget with full responsibility for managing external advisors.

#### Key Achievements

- Reduced a £79m portfolio of disputes with governmental / corporate customers and pension scheme trustees by 40% in six months through high level engagement, commercial negotiation and strategic use of dispute resolution techniques saving Capita £27m.
- Resolution of acrimonious relationship with AXA resulting in Capita being able to draw down on a £25m indemnity from a Share Purchase Agreement.

#### **Sopra Steria, London - Commercial Director**

**Feb 2011 – Dec 2015**

*French leader in ITO and BPO services with 37,000 employees and a turnover of €3bn*

- Head of Commercial
  - At the £1 billion joint venture with the UK Cabinet Office for the provision of payroll, HR, finance, IT and procurement services through a shared service model (SSCL).
  - Responsible for the development of a commercial operating model integrating the six different government departments which had been transferred to the joint venture.
  - Led the establishment and implementation of organisational transformation across six sites and facilitated training to bring all sites into alignment with the new operating model.
  - Undertook significant industrial relations and human resources management due to the large numbers of transferred staff. This included the design, implementation and management of a diversity and inclusion program which covered gender, race, ethnicity, religion and sexuality;
  - Establishment of protocols, policies, templates and training for industry best practice including operating manuals, checklists, trackers and governance models.
  - Negotiated major contracts with SSCL customers, suppliers and the Cabinet Office and provided strategic direction on in-life delivery, procedures and processes to ensure delivery aligned to SLAs and to facilitate continuous improvement.
- Commercial Development Director.
  - Led multi-disciplinary teams in tendering for significant client services contracts (>£50m) in government, defence, utilities, health and financial services.
  - Established commercial structure, financial models (including volume discounts and payment profiles), managed risk qualification, black hat reviews and gating protocols for bid progression.

#### Key Achievements

- Negotiation of rectification program with SSCL clients to agree new delivery milestones, establish cost to complete and renegotiate client dependencies to avoid contract abandonment.
- Secured a £500m contract with Royal Mail that required tower agreements under a master services agreement with onerous cross tower collaboration obligations and led multi-jurisdictional and multi-lingual team to win data hosting and managed services contract across 18 countries for the Metropolitan Life Assurance Company (MetLife).

**Babcock International, London – Consultant (Fixed Term Contract)****Jan – Dec 2010***UK's leading engineering support services organisation with 35,000 employees and a turnover of £4.8bn*

- Responsible for legal and commercial teams managing delivery on >30 accounts including Network Rail, EDF, BAE Systems, BBC Global, Royal Navy, British Army, NATO and security services ensuring achievement of financial baselines, project milestones and deliverables.

**Key Achievements**

- Conducted comprehensive property asset review, analysed results against mid to long term requirements and realigned multimillion-pound property portfolio in estate rationalisation project saving >£7m.
- Restored relations with Royal Navy through effective crisis management and negotiation resulting in 5YR contract renewal.

**BT Global Services, London – Consultant****Apr 2007 – Dec 2009***Global provider of managed networked IT services with a turnover of £6.7bn*

- Deputy Commercial Director - Delivery
  - Responsible for commercial delivery elements of the London Program of the £10 billion NHS National Programme for IT (NPfIT).
  - Managed team of 27 commercial managers and full supply chain of suppliers and subcontractors.
  - Key advisor for commercial and legal guidance on stalled/delay challenges in NPfIT.
- Deputy Commercial Director – Business Development
  - Responsible for all legal and commercial drafting and review of bids (public and private procurements) and client services contracts (>£50m) within the health sector in Middle East and Asia Pac.
  - Led commercial and legal business development, deal shaping, contract negotiation and market sector plans in Middle East and Asia Pac.

**Key Achievements**

- Renegotiated key milestones with Department of Health to enable continued delivery to avoid contract abandonment due to stalled delivery.
- Achieved 15% savings on strategic supply chain contracts to bring down cost to complete

**EDUCATION & PROFESSIONAL DEVELOPMENT**


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Australian Institute Company Directors - Company Director's Course	2019
Admitted to the Roll of Solicitors South Australia	2017
Admitted to the Roll of Solicitors England and Wales UK	2003
Admitted to the Roll of Solicitors New South Wales	2000
Graduate Diploma in Legal Practice – Sydney College of Law, Australia	2000
Maîtrise es Droit (Master of Laws level subjects) – Université de Poitiers, France	1998
Bachelor of Laws – Major in International Law – University of Adelaide, Australia	1997
Bachelor of Arts – Major in International Politics – University of Adelaide, Australia	1996

**ADDITIONAL INFORMATION**


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<b>International Experience:</b>	Experience in EU, Africa, CEE, North America, South America and Asia Pac
<b>Languages:</b>	English (native speaker), French (bilingual), German (basic)
<b>Security Clearance:</b>	United Kingdom Ministry of Defence cleared to SC level, NATO and FVEY
<b>Passports:</b>	Australian, Irish and British citizenship
<b>Hobbies:</b>	Off-road enduro motorbike tours and skiing



**Brigid O'Neill**

**Commercial | Disputes | Strategy**  
**Deal Shaping | Complex Negotiations Stakeholder**  
**Management**

## RECENT CAREER HISTORY

### 2017 - BON Advisory

- Clients include
  - ASC Pty Ltd
  - Norwood City Council
  - Commercial & General

### 2018: SAHMRI 2 Project

- Project Director for the Australian Bragg Centre for Proton Therapy & Research.

### 2016-2017: Dept Premier & Cabinet

- Head of Legal & Commercial

## QUALIFICATIONS

- Bachelor of Arts (Political Science & Languages) – University of Adelaide
- Bachelor of Laws - University of Adelaide
- Masters of Laws level subjects – University of Poitiers, France
- Graduate Diploma in Legal Practice (GDLP) College of Law, Sydney
- Admitted as a Solicitor & Barrister - High Court of Australia, Law Society of NSW and Law Society of SA.
- Admitted as a solicitor -Law Society of England & Wales
- Company Directors Course - Australian Institute of Company Directors

## PROFESSIONAL AFFILIATIONS

- Australian Institute of Company Directors
- French Australian Chamber of Commerce and Industry
- Law Society of South Australia
- International Association of Contract and Commercial Management

## SECTOR EXPERIENCE INCLUDES

- Infrastructure
- Engineering & Construction
- Minerals, Energy & Resources
- Defence
- Telco and IT
- Health
- Government

## GOVERNING & ADVISORY BOARD ROLES

2019 to date	ERA Water Treatment	Audit Committee Indep. Member
2019 to date	City of Norwood, Payneham & St Peters	Audit Committee Indep. Member
2018 to date	Parkinson's SA	Non-Executive Director
2018 to date	Stirling East Kindergarten	Governing Council
2011 - 2013	Powered by Bees	Non-Executive Director
2009 - 2011	Race Antarctica	Advisory Board

Brigid O'Neill is an English/French bilingual senior lawyer with 20 years' experience in top tier law firms and companies in Australia and Europe. She has significant expertise in leading complex projects, delivering strategic objectives and protecting clients' interests. An exceptional negotiator, she boasts strong communication, analytical and lateral problem-solving skills

## BACKGROUND

After completing her studies in Australia and France, Brigid worked for top tier European and American law firms representing multinationals, sovereign governments and FTSE 50 corporates.

On return to Australia, Brigid led the SA Premier's commercial/legal team reviewing investment projects and was asked to lead the multiple public and private sector stakeholders to establish the funding and structure for Australia's first proton therapy centre. Most recently Brigid has been providing legal and commercial consulting to private and public entities which currently sees her providing an interim General Counsel role at ASC (Australian Submarine Corporation).

## STEERING COMMITTEES AND TASK FORCES

Brigid has significant experience as the chair or as a member of many South Australian governmental steering committees and task forces, including:

- 2017 Chair of the SA Government Steering Committee for the West End Infrastructure Plan;
- 2018 Member of the SA Health Proton Steering Committee;
- 2017 & 2018 Member of the SAHMRI 2 Steering Committee;
- 2017 Member of the SA Government Space Industry Steering Committee;
- 2017 Chair of the SA Government City Deals Task Force.

## TRANSACTIONS

Brigid has extensive bid and tender experience in both the public and private sectors. This includes deal structuring roles as well as the negotiation and drafting of complex suites of agreements. Brigid is adept at using waterfall, agile or collaborative contracting principles as well as ensuring back to back obligations mapping through the contract life cycle and supply chain.

## PROJECTS

Experienced in leading project delivery, Brigid has chaired numerous steering committees and project task forces to deliver recommendations and deliverables. She has also led contracts in delivery phase from operational roles and advised companies on legal matters for operational projects and new business.

## DISPUTES

Brigid has acted in numerous matters before the courts and has represented sovereign governments, multi-nationals, high net worth individuals and companies in numerous international arbitrations. She has had conduct of proceedings in jurisdictions globally and as such also has experience of conflict of laws, anti-suit injunctions, multi-party actions, jurisdictional challenges, enforcement and tracing of assets.

**CURRICULUM VITAE – SANDRA DI BLASIO**

A board member that takes the lead on risk management, finance and governance providing leadership and guidance to Boards. Understanding what's behind the numbers, engaging and with a pragmatic style.

**Board Skills and Achievements**

- Developed, implemented and led appropriate governance frameworks from code of conduct to management policies to board effectiveness surveys
- Developed, implemented and led traditional and 'non traditional' risk management frameworks and policies
- The Board lead for external audit relationships; tender and selection processes, planning through to reporting activities
- Reinvigorated, introduced and/or challenged financial and operational reporting; meaningful numbers to enable effective decision making
- Developed a vision and model for a merger of state based entities, engaging legal support and liaising with state boards
- An ability to quickly understand issues at hand and work through to ensure a solution which satisfies governance and client need/outcome
- An ability to quickly understand issues at hand and work through to ensure a solution which satisfies governance and client need/outcome

**Committee and Board Membership**

April 2019 – Current City of Norwood Payneham and St Peters  
Independent Member Audit Committee

Nov 2018 – Current Hectorville Sports and Community Club  
Board Member  
Treasurer

June 2018 – Current Australian Pork Research Institute Ltd  
Independent Chair, Finance and Audit Committee

July 2017 – Current DisAbility Living Inc  
Board Member  
Chair Finance Committee

May 2012 – June 2019 High Integrity Pork Cooperative Research Centre  
Board Member  
Chair, Finance and Audit Committee

Aug 2012 – Current Loreto College Marryatville Ltd  
Independent Deputy Chair  
Chair, Finance Committee  
Chair, Nomination Committee

Jan 2010 – July 2018 St Joseph's Memorial School Norwood  
Board Member (parent and school leadership body)  
Chair, Finance Committee

Nov 2010 – Apr 2017 Muscular Dystrophy Foundation (national body, based in NSW)  
Board Member (2010 – 2014)  
Chair (2014 – 2017)  
Chair, Finance and Governance Committee

May 2008 – Nov 2016 Muscular Dystrophy Association Inc of SA  
Board member (Chair between 2010 – 2012)  
Member, Finance and Governance Committee

May 2012 – Oct 2014 Kudos Knowledge  
Chair and Board Member  
(IT start up company sold in 2014)

## Employment History

Aug 2019 – Current Westpac (Sydney) Projects (Culture, Governance and Assurance)

2006 – Current Board roles (as detailed above).  
Consulting projects, including risk framework and risk management, facilitating workshops, preparing an on- line course for board members and assisting NFPs develop policies.

2001 – 2006 BT Financial Group (Westpac Group)  
2001 – 2004 Head of Operational Risk, based in Sydney  
2004 – 2006 Project work, Sydney and Adelaide (part time)

1996 – 2001 Andersen, Business Risk Consulting  
1999 – 2002 Senior Manager, Sydney, Business Risk Consulting  
1996 – 1999 Manager, Adelaide, Business Risk Consulting

1989 – 1996 SA Auditor General's Department

## Expertise

- Excellent risk management, internal audit, compliance and external audit skills in various sectors and businesses
- Strong understanding of accounting and financial data
- Key interest in areas of governance and transparency of decision making
- Broad experience base across government, private sector and not for profit
- Ability to develop relationships and establish networks both in South Australia and nationally

## Professional Development

Certified Practising Accountant (CPA) (*resigned December 2018*)

Not For Profit Director Course, AICD, October 2011

Non Profit Masterclass in Strategic Leadership and Innovation, October 2010

### **Qualifications**

University of South Australia, Bachelor of Arts in Accountancy

GAICD, Graduate and Member, Australian Institute of Company Directors (AICD), since 2013

### **Referees**

Peter Hoban, Retired lawyer and Board Member

(Chair Loreto College, Deputy Chair Hutt St Centre)

0411 705 084

Other referees available on request

## ITEM 7.6 - ATTACHMENT A4

Madeleine Vezis  
48 Thorngate Drive  
BELAIR SA 5052  
M: 0414 977 378  
E: [madeleine@madconsult.com.au](mailto:madeleine@madconsult.com.au)

Mr Rob Gregory  
General Manager  
Eastern Waste Management Authority  
1 Temple Court  
OTTOWAY SA 5013

11 November 2019

Dear Mr Gregory,

### **RESPONSE TO EXPRESSION OF INTEREST -INDEPENDENT MEMBER: AUDIT AND RISK MANAGEMENT COMMITTEE**

Thank you for the opportunity to express my interest in a role to help shape the Eastern Waste Management Authority (East Waste) as an Independent Member of the Audit and Risk Management Committee (the Committee).

I understand that to fulfil this role the person must have experience in either finance, risk management, governance or legal experience relevant to the functions of the Committee. I have skills and knowledge in three of these four disciplines which will enable me to contribute meaningfully to the Committee's functions as outlined in its Terms of Reference

The purpose of this letter is to outline my credentials and how I can add real value to the Committee and East Waste more broadly.

### **VALUE PROPOSITION**

Over the past 25+ years, I have developed solutions for several local government organisations across South Australia, including the Local Government Association, City of Marion, City of Mitcham, City of Unley and the City of Onkaparinga. These solutions have involved providing outsourced risk and internal audit services as well as working on both a project and secondment basis to build internal capability. These roles have required me to develop an understanding of the Local Government Act, 1999 and the broader legislative landscape in which councils operate.

From 2017 to 2019, I served as an Independent Member of the City of Onkaparinga's Audit, Risk, Value and Efficiency Committee. I have spent most of my career working to meet the expectations of boards, board sub-committees (including audit and risk committees) and executive management teams. Being able to operate at this strategic level, in addition to understanding operational level detail, means that I am well placed to help East Waste's Audit and Risk Management Committee meet their obligations.

My understanding of the local government environment and years of governance, risk management and internal audit experience (refer to the following section for more details), ideally places me to help deliver the outcomes you require and provide real value to East Waste.



I recently left the 'Big 4' advisory environment to start my own business, Mad Consulting Solutions. Part of my motivation for doing this was to be able to work more closely with organisations who, I believe, can support and shape communities. The chance to work with East Waste's Audit and Risk Management Committee appears to be a perfect opportunity for us both.

## CREDENTIALS

One of the strengths that I would bring to the committee is my diverse business background working with organisations in both the public, private and not-for-profit sectors. Over the last 3 years, for example, I have worked with organisations to:

- **Australian Naval Infrastructure Pty Ltd** – Develop and implement a tailored project risk management framework
- **City of Mitcham** – Update the Internal Audit Plan and provide assurance over key strategic risk areas
- **Department of the Premier and Cabinet (previously State Development)** – Develop and implement a tailored Financial Management System to help the APY Lands maintain funding
- **Local Government Association** – Refine their risk management framework and facilitate operational risk workshops
- **University of South Australia** – Support the University's risk management and assurance function by acting in the role of Director: Risk and Assurance Services.

My experience and knowledge would help provide insight into several challenges, and opportunities facing organisations today including:

Continuous improvement and enhancement of services  
Developing and managing alliances with partners who share similar goals  
Identifying and taking advantage of market opportunities  
Meeting and exceeding customer expectations  
Using technology to support better service delivery and processes  
Ongoing pressure to deliver more with the same (or less) resources  
Managing large infrastructure and asset bases  
Demonstrating commitment to good governance and ethical conduct  
Promoting the sustainable use of resources (physical and financial)

I am confident that my skills, knowledge and experience will enable me to contribute meaningfully to the Committee's required functions. I look forward to discussing my response with you.

Please contact me on 0414 977 378 if you have any questions regarding my response to your Expression of Interest.

Yours sincerely,

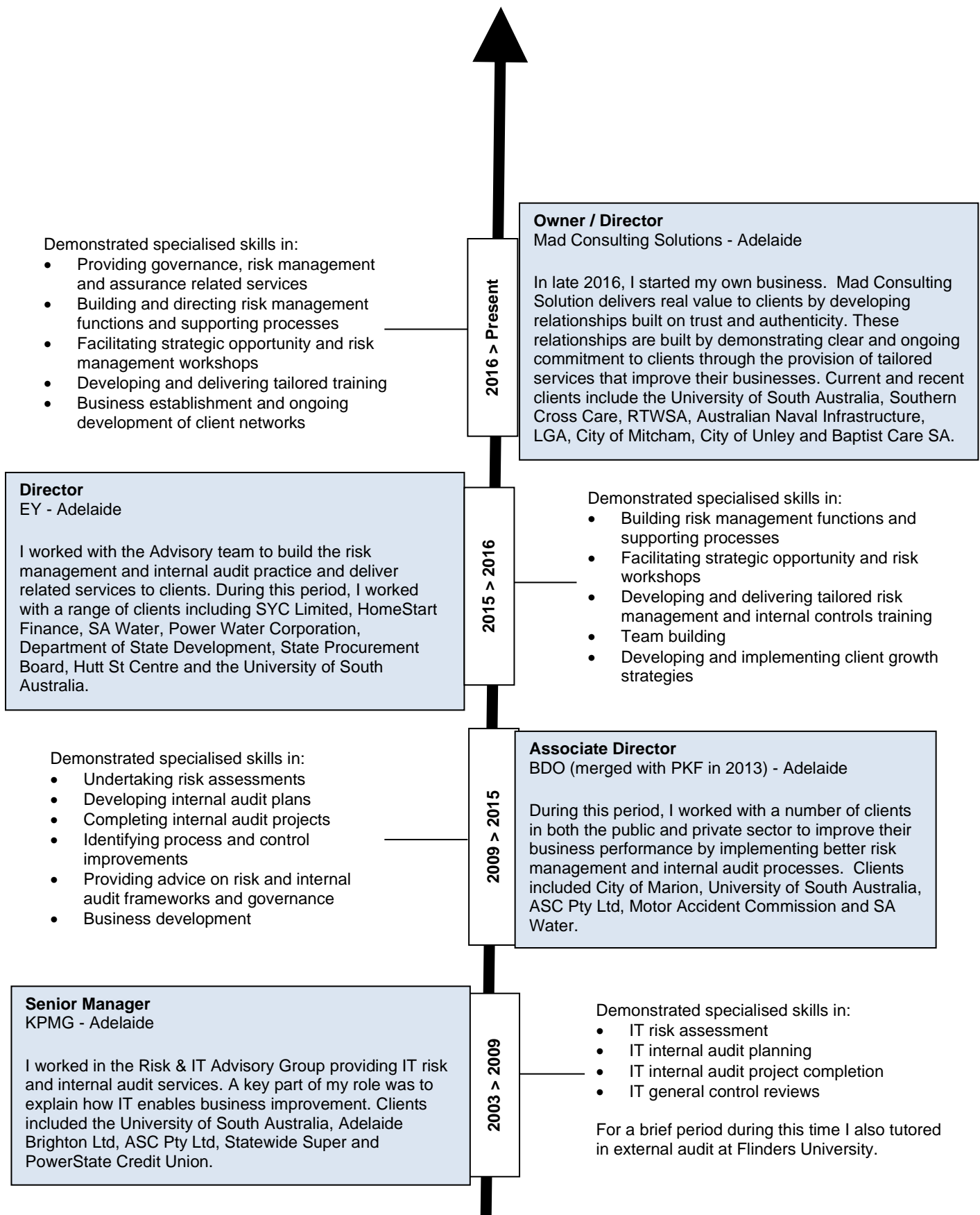


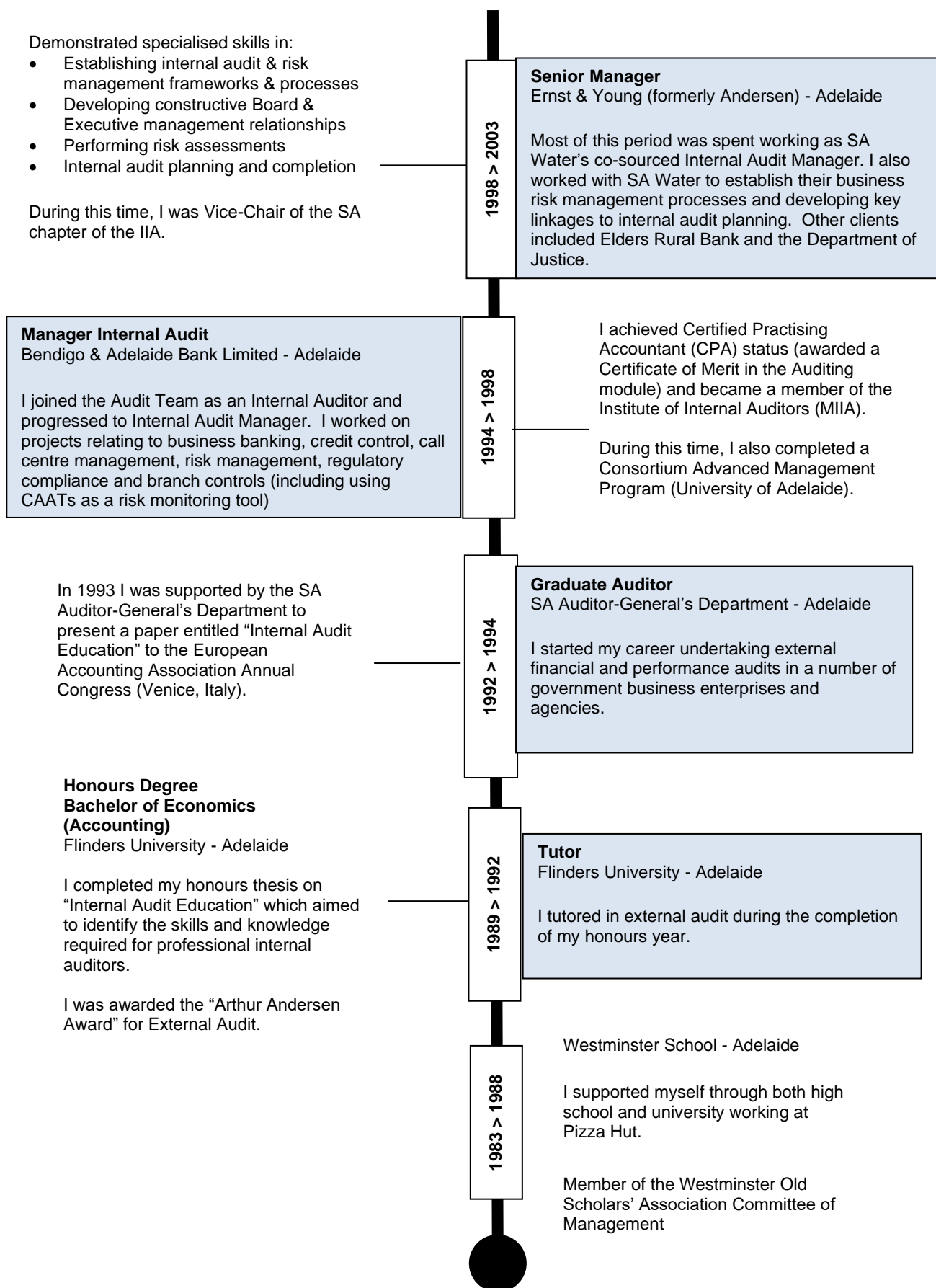
Madeleine Vezis



# Madeleine Vezis

madeleine@madconsult.com.au | 0414 977 378|  
48 Thorngate Drive Belair SA, 5052





## PERSONAL STATEMENT

I believe the ability to communicate and work with people is critical to achieving goals in both a professional and personal context. My skills in these areas have proven invaluable in my chosen fields of specialisation – governance, risk management and assurance. These fields require a significant amount of business understanding and a high degree of collaboration to design and implement solutions that deliver the expected benefits. Over my 25+ year career, I have worked with many organisations, in both the public and private sector, to achieve their goals and improve performance by implementing more efficient and effective governance, risk management and assurance frameworks and processes.

## KEY SKILLS SUMMARY

### Technical Skills

- Governance
- Risk management (strategic and operational)
- Internal controls and audit (including ICT related)
- Business process improvement
- Project management
- Business development

### Personal Skills

- Developing tailored solutions to meet organisational requirements
- Team building
- Building constructive relationships with Boards and executive management
- Client management in diverse industries and on multiple projects
- Consultative and collaborative approach to solution development
- Adaptable to multiple client and work environments

### Professional Memberships

Certified Practising Accountant (CPA)

Member of the Institute of Internal Auditors (IIA)

Member of the Risk Management Institute of Australia (RMIA)

Member of City of Onkaparinga's Audit, Risk, Value and Efficiency Committee (2017 – 2019)

5 November 2019

Chief Executive Officer  
Adelaide Hills Council  
PO Box 44  
WOODSIDE SA 5244

Dear Andrew

**RE: AUDIT COMMITTEE - INDEPENDENT MEMBER**

I would like to submit my Expression of Interest for an Independent Member of the East Waste Audit Committee. Please find attached an executive summary of my work career.

My key experience and qualifications for the position are:

- Independent Audit Committee Chair – AHRWMA and NAWMA
- Independent Audit Committee Chair & Member – Various metro and regional Councils.
- Board Director, Risk Management Institution of Australasia (RMIA) (2004- 2012).
- Chief Financial Officer at Novafast Holdings Pty Ltd.
- Business Manager at Fight Food Waste Limited.
- COO and Company Secretary at Water Research Australia Limited.
- Senior Risk Management & Internal Audit positions at PIRSA, Adelaide Brighton Limited, Elders Australia Limited and Fosters Brewing Group.
- Fellow CPA.
- Certified Practicing Risk Manager (CPRM).
- Graduate Australian Institute of Company Directors (GAICD).
- Governance Institute of Australia – Workshop Facilitator (Risk Management & WHS).
- ARIMA Risk Manager of the Year for 2003.

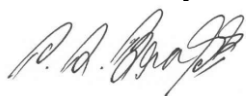
Being involved at Audit Committee and Board level has given me a broad knowledge of corporate governance structures and processes designed for decision-making and delivery of organisational objectives.

Leading Risk Management & Internal Audit functions has also given me the opportunity to be involved in evaluating strategic and operational objectives of various businesses from a risk management and internal control focus.

I enjoy my role as the Independent Audit Committee Chair of AHRWMA and NAWMA and it is rewarding both personally and professionally. It would be a great opportunity to serve on another waste and resource recovery facility that contributes to Member Council communities.

Please feel free to contact me for any information you may require which I will be happy to supply.

Yours sincerely,



**Peter R Brass**

# PETER BRASS

## GOVERNANCE, STRATEGY, RISK, OPERATIONS

### CONTACT

**Mobile: 0402 890 342**

Alt Phone: 08 8356 0494

Email: brassy1@bigpond.com

Postal: 45 White Street, Henley Beach, SA 5022

### EDUCATION & TRAINING

AUSTRALIAN GRADUATE SCHOOL OF MANAGEMENT, Graduate Diploma Management / Graduate Management Qualification

UNIVERSITY OF ADELAIDE, Bachelor of Economics

### PROFESSIONAL / PERSONAL DEVELOPMENT

University of South Australia – Company Growth Development Workshop (2017)

Chair, Security & Risk Committee – ICT Board (2009 – 2012)

Director – Risk Management Institution of Australasia (2004-2012)

Board Chairman – Star of the Sea School (2007 – 2009)

Lecturer TAFE SA – Manage Risk (2006)

Audit Committee Member – BioInnovation SA (2003 – 2005)

Director – Institute of Internal Auditors Australia (1998-2004)

PIRSA – Leadership for Future Development Program (2001)

### EXECUTIVE SUMMARY

Accomplished Executive with diverse industry and business exposure, my highly transferable skills and experience ensure heightened levels of commercial accountability, financial management and business rigour.

An indepth understanding of the drivers, external and internal, that lead to organisational success and sustainability, I work collaboratively with all stakeholders building credibility, respect and trust.

Versatile in my leadership competencies I readily commit to the values, mission and goals of organisations that serve the community and their clients / customers.

### CAREER SUMMARY

(F) – Full Time (C) - Contract

Organisation	Position	Dates
Novafast Holdings Pty Ltd (F)	Chief Financial Officer	July 2019 to Current
Fight Food Waste Limited (C)	Business Manager	Aug 2018 – Feb 2019
Water Research Australia Ltd (F)	Chief Operating Officer & Company Secretary	Jul 2012 – Dec 2017
Dept of the Premier & Cabinet (C)	Consultant, Office of the Chief Information Officer	Jun 2012
Primary Industry & Regions SA (F)	General Manager, Risk Management & Audit	Nov 2000 – May 2012
RAA – GIO Insurance (C)	Special Projects Manager	Sep 1999 – Nov 2000
Boral Energy (C)	Project Manager – Accounting	Feb 1999 – Aug 1999
Radio Rentals Ltd (C)	Accounting / Control Analyst	Jul 1998 – Feb 1999
Dept of Information Technology Services (C)	Financial Analyst	Apr 1998 – Jun 1998
Adelaide Brighton Ltd (F)	Group Manager, Management Assurance	Jan 1997 – Sep 1997
Elders Australia Ltd (F)	Group Manager, Internal Audit	Dec 1993 – Dec 1996
Fosters Brewing Group Ltd (F)	Manager, Internal Audit	Apr 1989 – Dec 1993

## KEY CAPABILITIES

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- Influencing & Negotiating skills
- Governance, Finance, Risk, Strategy - through to operational planning and implementation
- Business Systems development and implementation
- Change Management, Continuous Improvement
- People Management
- Company Secretariate
- Stakeholder relationship development and management

## ASSOCIATIONS & CERTIFICATIONS

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- ARIMA - Risk Manager of the Year for 2003
- Associate Fellow – RMIA (AFRMIA)
- Certified Practicing Risk Manager (CPRM)
- Fellow - CPA Australia (FCPA)
- Graduate Australian Institute of Company Directors (GAICD)
- Governance Institute of Australia (GIA) Workshop Facilitator – Risk Management and WHS

## LOCAL GOVERNMENT AUDIT COMMITTEES

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- Adelaide Hills Council – Independent Member
- City of Charles Sturt – Independent Member
- City of Onkaparinga – Independent Member
- Regional Council of Murray Bridge - Chair and Independent Member
- Southern Mallee District Council - Chair and Independent Member
- The Barossa Council - Chair and Independent Member
- Town of Gawler – Chair and Independent Member
- Yorke Peninsula Council - Chair and Independent Member
- Northern Adelaide Waste Management Authority - Chair and Independent Member
- Adelaide Hills Regional Waste Management Authority - Chair and Independent Member
- Gawler River Floodplain Management Authority - Chair and Independent Member

## VOLUNTEER / HONORARY POSITIONS

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- Henley Surf Life Saving Club – Honorary Auditor
- Henley & Grange RSL – Honorary Auditor
- West Torrens Baseball Club – Honorary Auditor

7 November 2019

Mr Andrew Aitken  
Chief Executive Officer  
Adelaide Hills Council  
PO Box 44  
Woodside SA 5244  
[mail@ahc.sa.gov.au](mailto:mail@ahc.sa.gov.au)

Dear Mr Aitken

### **East Waste Audit Committee: Expression of Interest Independent Member**

Please find attached a resume summarising my work experience, which covers over 30 years senior financial and non-financial management experience in the private and public sectors. Since June 2017 I have been retired from employed work.

I am currently (23 January 2018 until 30 November 2019) an independent member of the Adelaide Hills Council (AHC) Audit Committee. Also, I was a member of the AHC Audit Committee when I was an AHC Councillor, during November 2006 to October 2010.

My most recent employed positions [Accountant (Trustee Services) & Audit Manager, and then Internal Auditor] at Tidswell Financial Services Ltd (TFSL), required relevant skills and experience in accounting, financial management, risk management, superannuation law and compliance, internal audit and governance.

For instance, my last internal audit reports covered reviews and reports on the following APRA Prudential Standards & Practice Guides; SPS510 Governance, SPS220 Risk Management, SPS520 Insurance in Superannuation, SPS114 Operational Risk Financial Requirement, SPS231 Conflicts of Interest, SPS530 Investment Governance, SPS520 Fit & Proper, SPG223 Fraud Risk Management, SPS231 Outsourcing and SPS232 Business Continuity Management.

It should be noted that my appointment as Internal Auditor was approved by the TFSL Board of Directors after considering several alternatives with APRA.

Regarding the Audit and Risk Management Committee Terms of Reference, in particular the purpose, my belief is that the above shows I have the necessary skillsets to be an Independent Member with financial experience. Also my belief is that I have relevant risk/management/governance experience.



Yours sincerely  
Geoffrey Harold Purdie

## RESUME for East Waste Audit Committee

**NAME:** Geoffrey Harold PURDIE

**ADDRESS:** 51 Milan Terrace  
Stirling SA 5152

**TELEPHONE:** 08-8339 1339 (Home)  
0417 886 371 (Mobile)

**QUALIFICATIONS:** Bachelor of Arts Degree in Accounting  
CPA (member Australian Society of Certified Practicing Accountants)

### **WORK EXPERIENCE:**

#### **TIDSWELL FINANCIAL SERVICES LTD**

Dec 2015 – Jun 2017 Internal Auditor reporting to the Directors

Jul 2011 – May 2015 Accountant (Trustee Services) to Audit Manager,  
reporting to the Managing Director

#### **MACKINNON INVESTMENTS PTY LTD**

Jul 2005 – August 2010 Chief Executive Officer reporting to the Managing Director

#### **FLINDERS UNIVERSITY OF SOUTH AUSTRALIA:**

Jul 2002 – Jun 2005 Manager, School Administration, School of Informatics & Engineering, reporting to the Head of the School

#### **NATIONAL CENTRE FOR PETROLEUM, GEOLOGY & GEOPHYSICS (NCPGG):**

Apr 2002 - Jun 2002 Business Manager, NCPGG, reporting to the Director  
(on the payroll of VP Rigano & Co Chartered Accountants)

#### **THE UNIVERSITY OF ADELAIDE:**

Mar 2000 - Mar 2002 Finance Manager, Faculty Agricultural & Natural Resource Sciences (ANRS), reporting to the Executive Dean of the Faculty

Jul 1991 - Feb 2000 Financial Accounting roles, Finance Branch,  
reporting to the Director Finance

Oct 1989 - Jun 1991 Accountant, Roseworthy Agricultural College (College)  
(on secondment from University of Adelaide),  
reporting to the Director of the College

1985 - Sept 1989 Secretary for Staffing, Executive Committee, reporting through



*the Secretary, Executive Committee to the Registrar.*

1983 - 1984

**Deputy Accountant, Finance Branch**, reporting through  
the Accountant to the Bursar.

**TUBEMAKERS OF AUSTRALIA LTD., B.T.M. DIVISION (part of the BHP group)**

1970 - 1982      **Trainee Accountant, to Commercial Superintendent**, Tube Products

**CONSULTING WORK, including:**

- Secretary/Administrator of **The University of Adelaide Superannuation Scheme A 1985 Inc.** (the Scheme) from 1 April 1992 to 5 June 2006. University of Adelaide member representative of the Scheme's Policy Committee from 6 June 2006 to 8 April 2019.

**COMMUNITY POSITIONS, including:**

- Independent member **Adelaide Hills Council Audit Committee** from 23 January 2018 to 30 November 2019.
- Treasurer **Stirling Districts Residents Association Inc.** from November 2017 to current.
- Treasurer **Probus Club of Stirling Inc.**, from April 2017 to current.
- Councillor, **Adelaide Hills Council**, including a member of Council's Audit Committee, from November 2006 to October 2010.

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**7.7: 2020 Proposed Meeting Schedule**

**REPORT AUTHOR:** Finance & Executive Administration Officer  
**ATTACHMENTS:** Nil

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**Purpose of the Report**

To provide the Committee with the proposed Audit & Risk Management Committee and Board meeting dates for 2020.

**Background**

Nil

**Report**

Table 1 details proposed meeting dates for the Audit and Risk Management Committee (ARMC) and Board for 2020.

**Table 1: 2020 Proposed Meeting Dates**

Audit & Risk Management Committee	Board	Legislative requirement
Tuesday 11 February 8:30am	Thursday 20 February 5:30pm	Budget Review 2 Draft Annual Plan & Budget
Tuesday 21 April 8:30am	Thursday 30 April 5:30pm	Budget Review 3
Tuesday 16 June 8:30am	Thursday 25 June 5:30pm	Annual Plan & Budget Endorsement
Tuesday 15 September 8:30am	Thursday 24 September 5:30pm	Audited Financials
Tuesday 17 November 8:30am	Thursday 26 November 5:30pm	Budget Review 1

Subject to endorsement by the East Waste Board, calendar invites for 2020 meetings shall be sent out prior to Christmas. However, meeting dates may be subject to change to accommodate the availability of the soon-to-be appointed Independent Chair.

**Recommendation**

**That the Committee receives and notes the report.**