



**EASTERN WASTE MANAGEMENT AUTHORITY
ORDINARY BOARD MEETING**

Thursday 28 November 2019

Notice is hereby given that a meeting of The Board of the Eastern Waste Management Authority will be held in the Mayor's Parlour, City of Norwood, Payneham & St Peters, 175 The Parade, Norwood, on Thursday 28 November 2019 commencing at 5:30pm.

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

**ROB GREGORY
GENERAL MANAGER**



EASTERN WASTE MANAGEMENT AUTHORITY

AGENDA

ORDINARY MEETING OF THE BOARD OF MANAGEMENT

**Meeting to be held on Thursday 28 November 2019 commencing at 5:30pm,
at the City of Norwood, Payneham & St Peters, 175 The Parade, Norwood**

1. PRESENT

2. APOLOGIES

3. CONFLICTS OF INTEREST

4. CONFIRMATION OF THE MINUTES

- RECOMMENDED:**
1. That the Minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on Thursday 26 September 2019, be received confirmed, and adopted.
 2. That the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee Meeting held on Tuesday 19 November 2019, be received, confirmed and adopted.
 3. That the Minutes of the Eastern Waste Management Authority General Manager Performance Review Committee Meeting held on Wednesday 20 November 2019, be received, confirmed and adopted.

5. MATTERS ARISING FROM THE MINUTES

6. QUESTIONS WITHOUT NOTICE

7. REPORTS

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9. OTHER BUSINESS

10. NEXT MEETING OF THE BOARD

The next Board Meeting is scheduled to be held on:
TBC

11. CLOSURE OF MEETING



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

Held on Thursday 26 September 2019 at 5:41pm at the City of Norwood, Payneham & St Peters,
175 The Parade, Norwood SA 5067

Mr Gregory, General Manager, acknowledged that Mr Di Iulio (Acting Chairperson) was an apology for the meeting and therefore no Chairperson was present. Nominations for Chair of the meeting were sought.

Moved Mayor Holmes-Ross that Cr Green Chair the meeting.
Seconded Cr Piggott

Carried

1. PRESENT

Directors:

Cr L Green	Adelaide Hills Council
Mayor H Holmes-Ross	City of Mitcham
Mr M Barone	City of Norwood, Payneham & St Peters
Cr Rob Ashby	Corporation of the Town of Walkerville
Mr G Piggott	City of Burnside

In Attendance:

Mr R Gregory	General Manager
Mr S Raymond	Manager, Corporate Services
Ms K Vandermoer	Finance & Executive Administration Officer
Mr J Jovicevic	Dean Newbery & Partners
Mr F Bell	Thomson Geer

2. APOLOGIES

Mr P Di Iulio	Campbelltown City Council
Mr S Bradley	City of Prospect

3. CONFLICTS OF INTEREST

Mr Gregory declared a potential conflict of interest in Confidential item 8.3, given his role as Board Member of KESAB.

4. CONFIRMATION OF THE MINUTES

Moved Mr Barone

1. That the Minutes of the Eastern Waste Management Authority Board Meeting held on Thursday 20 June 2019, be received confirmed, and adopted.

2. That the Minutes of the Eastern Waste Management Authority Special Board Meeting held on Monday 1 July 2019, be received, confirmed and adopted.

3. That the Minutes of the Eastern Waste Management Authority Audit & Risk Committee Meeting held on Tuesday 17 September 2019, be received, confirmed and adopted.

Seconded Cr Piggott

Carried

5. MATTERS ARISING FROM THE MINUTES

Nil

6. QUESTIONS WITHOUT NOTICE

Nil

7. REPORTS

7.1 EAST WASTE FINANCIAL STATEMENTS YEAR ENDING 30 JUNE 2019

RECOMMENATION

Moved Cr Ashby that the Board:

1. Authorise the Acting Chairman and General Manager to sign the Financial Statements as presented in Attachment A, and officially provide to Member Councils.
2. Assess the distribution or otherwise of the 2018/19 Operating Surplus as part of Budget Review 1 deliberations.

Seconded Mr Barone

Carried

7.2 REGULATION 10 FINANCIAL REPORT 2018

RECOMMENDATION

Moved Cr Piggott that the Board endorse the Regulation 10 Financial Report as presented in Attachment A.

Seconded Mayor Holmes-Ross

Carried

7.3 DRAFT ANNUAL REPORT 2018/2019

RECOMMENDATION

Moved Mr Barone that the Board endorses the final draft of the 2018/2019 East Waste Annual Report and authorises East Waste's General Manager to distribute to Member Councils, upon the audited financials and other minor amendments being included in the final version.

Seconded Cr Ashby

Carried

Mr Bell entered the meeting at 5:53pm.

Confidential Item 8.1 was brought forward for consideration upon Mr Bell's arrival.

7.4 FIGHT FOOD WASTE COOPERATIVE RESEARCH CENTRE MEMBERSHIP & PROJECT

RECOMMENDATION

Moved Cr Ashby that the Board:

1. Support the advancement and finalisation of the proposed Fight Food Waste Cooperative Research Centre project, based on long term value that can be derived from undertaking the project.
2. Commit the required funding to Stage 1 one of the project, subject to East Waste's financial contribution not exceeding \$50k/annum for first two years.
3. The General Manager advance discussions with the Fight Food Waste Cooperative Research Centre to become a member of the CRC.

Seconded Mayor Holmes-Ross

Carried

7.5 REVIEW RISK REGISTERS

RECOMMENDATION

Moved Mr Barone that the Board approves East Waste's Risk Registers as presented at Attachment A.

Seconded Cr Piggott

Carried

7.6 PUBLIC INTEREST DISCLOSURE ACT 2018 POLICY/PROCEDURE

RECOMMENDATION

Moved Mr Barone That the Board approve the East Waste Public Interest Disclosure Act 2018 Policy/Procedure as presented at Attachment A.

Seconded Cr Ashby

Carried

7.7 INDEPENDENT MEMBER TERM EXPIRY

RECOMMENDATION

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).
2. Approve the proposed amendment to the East Waste Audit and Risk Management Committee Terms of Reference.
3. East Waste's General Manager formally writes to Mr Leigh Hall thanking him for his contribution to the Audit and Risk Management Committee.

Seconded Cr Piggott

Carried

7.8 AUDIT IMPLEMENTATION PROGRESS REPORT

RECOMMENDATION

Moved Cr Piggott that the Board notes the finalisation of actions of the 2018 Accounts Payable and Payroll Audit recommendations.

Seconded Cr Ashby

Carried

7.9 RESPONSE LETTER FROM MINISTER FOR ENVIRONMENT & WATER

RECOMMENDATION

Moved Cr Piggott that the Board:

1. Notes the recent correspondence with the Minister Environment & Water.
2. Supports the General Manager and Acting Chairman to write to the State Treasurer regarding the Solid Waste Levy and impact that it and any future increases have on community.

Seconded Cr Ashby

Carried

7.10 APPOINTMENT OF GENERAL MANAGER PERFORMANCE REVIEW COMMITTEE MEMBER

RECOMMENDATION

Moved Mr Barone that the Board appoints Mayor Holmes-Ross to the General Manager Performance Review Committee.

Seconded Cr Ashby

Carried

8. CONFIDENTIAL REPORTS

8.1 LEGAL MATTER

RECOMMENDATION 1

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

(h) legal advice

and the East Waste Board is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/ consideration of the information confidential.

Seconded Cr Ashby

Carried

RECOMMENDATION 3

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

Seconded Cr Piggott

Carried

Mr Bell left the meeting at 6:13pm.

8.2 INDEPENDENT CHAIRPERSON APPOINTMENT PROCESS

RECOMMENDATION 1

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

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

and the East Waste Board is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Seconded Cr Piggott

Carried

RECOMMENDATION 3

Moved Mr Barone that under Section 91(7) and (9) of the Local Government Act 1999 the East Waste Board orders that the report, discussion and minutes be kept confidential until the contract is executed and attachments for a period not exceeding 12 months.

Seconded Mayor Holmes-Ross

Carried

8.3 RFQ 2019/01 – PROVISION OF KERBSIDE BIN AUDIT SERVICES

RECOMMENDATION 1

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

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

and the East Waste Board is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Seconded Mayor Holmes-Ross

Carried

RECOMMENDATION 3

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

Seconded Cr Piggott

Carried

9. OTHER BUSINESS

Nil

10. NEXT MEETING OF THE BOARD

The next ordinary Board Meeting is scheduled to be held on Thursday 28 November 2019 at the City of Norwood, Payneham & St Peters at 5.30pm.

11. CLOSURE OF MEETING

There being no further business the meeting closed 7:06pm.

DATE: _____

CHAIRPERSON: _____



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

held on Tuesday 19 November 2019 in the Mayor's Parlour, City of Norwood Payneham & St Peters, 175 The Parade, Norwood

Meeting opened at 8:33am.

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

2. APOLOGIES

Nil

3. CONFLICTS OF INTEREST

Nil

4. CONFIRMATION OF THE MINUTES – 17 SEPTEMBER 2019

Moved Mr Muhlhausler that the Minutes of the previous meeting held on Tuesday 17 September 2019 be received and noted.

Seconded Cr Piggott

Carried

5. MATTERS ARISING FROM THE MINUTES

Nil

6. QUESTIONS WITHOUT NOTICE

Nil

7. STAFF REPORTS

7.1 OPERATING WORKING CAPITAL REQUIREMENTRECOMMENDATION

Moved Mr Muhlhausler that the Committee recommend;

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.

Seconded Cr Piggott

Carried

7.2 FINANCIAL REPORT – BUDGET REVIEW ONE

RECOMMENDATION

Moved Cr Piggott that 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.

Seconded Mr Muhlhausler

Carried

7.3 TREASURY MANAGEMENT PERFORMANCE REPORT

RECOMMENDATION

Moved Cr Piggott that the Committee recommend that the Treasury Management Performance Report as presented in Attachment B is amended to include additional detail and is represented at the February Audit & Risk Committee Meeting.

Seconded Mr Barone

Carried

7.4 FLEET ASSET MANAGEMENT PLAN 2020-2030

RECOMMENDATION

Moved Mr Barone that 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, and that this decision is reviewed annually by Administration, to ensure the optimum retention period is retained.
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.

Seconded Cr Piggott

Carried

7.5 LONG TERM FINANCIAL PLAN – PRINCIPLES & ASSUMPTIONS

RECOMMENDATION

Moved Mr Muhlhausler that the Committee recommends the presented draft principles and assumptions, as reviewed, be presented to the East Waste Board for their consideration and input.

Seconded Cr Piggott

Carried

7.6 INDEPENDENT MEMBER APPOINTMENT

Item discussed in confidence. Refer to Confidential reports.

7.7 2020 PROPOSED MEETING SCHEDULE

RECOMMENDATION

Moved Mr Barone that the Committee receives and notes the report.

Seconded Mr Muhlhausler

Carried

8. CONFIDENTIAL REPORTS

7.6 INDEPENDENT MEMBER APPOINTMENT

RECOMMENDATION 1

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

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

and the East Waste Audit and Risk Management Committee is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Seconded Mr Muhlhausler

Carried

RECOMMENDATION 3

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

Seconded Mr Muhlhausler

Carried

8.1 RFT 2019/03 – PROVISION AND MAINTENANCE OF TYRES

RECOMMENDATION 1

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

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

and the East Waste Audit and Risk Management Committee is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.
Seconded Mr Barone **Carried**

RECOMMENDATION 3

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

8.2 RECRUITMENT OF INDEPENDENT CHAIRPERSON (VERBAL UPDATE)

Mr Gregory provided the Board with a verbal update regarding the progression of the recruitment process to appoint a new Independent Chairperson.

9. OTHER BUSINESS

Nil

10. NEXT MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The next Audit and Risk Management Committee Meeting is to be held in February 2020.

11. CLOSURE OF MEETING

There being no other business the meeting closed at 9:38am.

PRESIDING MEMBER

DATE



**MINUTES OF THE MEETING OF THE
GENERAL MANAGER PERFORMANCE DEVELOPMENT AND REVIEW COMMITTEE
OF THE EASTERN WASTE MANAGEMENT AUTHORITY**

held on Wednesday 20 November 2019 at Foyer Interview Room, City of Mitcham, 131 Belair
Road, Torrens Park

Meeting opened at 9:15am.

1. PRESENT

Mr P Di Iulio	Acting Independent Chairperson
Mr M Barone	Committee Member
Mayor H Holmes-Ross	Committee Member

IN ATTENDANCE

Mr Rob Gregory	General Manager
Wendy Taylor	Taylor Consulting Pty Ltd

2. APOLOGIES

Nil

3. CONFLICTS OF INTEREST

Nil

4. CONFIRMATION OF THE MINUTES – 28 JUNE 2018

Moved Mr Barone That the Minutes of the Eastern Waste General Manager Performance Review Committee Meeting held on Tuesday 11 June 2019, be received confirmed, and adopted.

Seconded Cr Holmes-Ross

Carried

5. MATTERS ARISING FROM THE MINUTES

Nil

6. QUESTIONS WITHOUT NOTICE

Nil

7. REPORTS

Nil

8. CONFIDENTIAL REPORTS

8.1 2019 ANNUAL GENERAL MANAGER PERFORMANCE ASSESSMENT

RECOMMENDATION 1

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

- (a) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);

and the East Waste Board is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

Seconded Mayor Holmes-Ross

Carried

RECOMMENDATION 3

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

Seconded Mayor Holmes-Ross

Carried

8.2 CONTRACT REVIEW

RECOMMENDATION 1

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

- (b) information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of any person (living or dead);

and the East Waste Board is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt/discussion/consideration of the information confidential.

RECOMMENDATION 3

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

Seconded Mayor Holmes-Ross

Carried

9. OTHER BUSINESS

Nil

10. NEXT MEETING

The next General Manager Performance Review Committee is to be held on:

TBC

11. CLOSURE OF MEETING

There being no other business the meeting closed at 10:55am.

PRESIDING MEMBER _____

DATE _____

7.1: OPERATING WORKING CAPITAL REQUIREMENT

REPORT AUTHOR: General Manager
ATTACHMENTS: Nil

Purpose of the Report

To provide the Board with additional information relating to the working capital fluctuations of the Authority and estimated future cash flow projection assumptions.

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.*

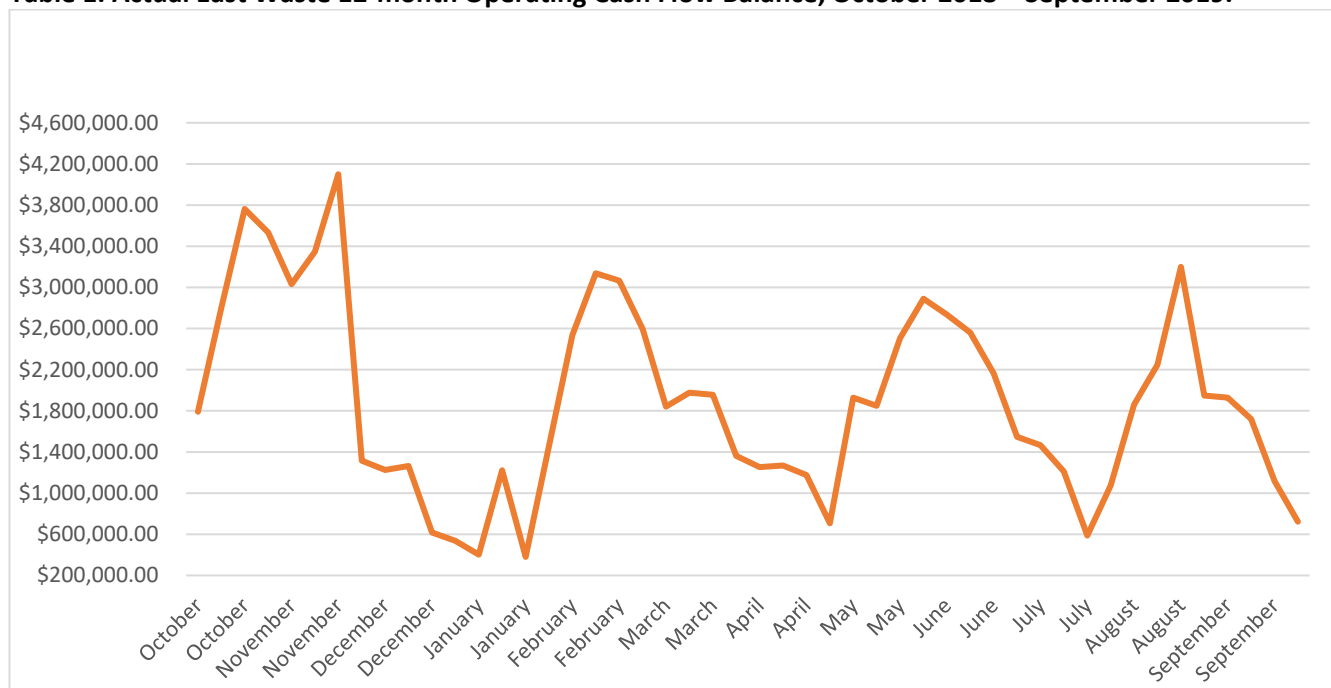
Seconded Cr Green

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.

In presenting the report to the Audit & Risk Management Committee at the 19 November 2019 meeting, the Committee resolved

1.1 OPERATING WORKING CAPITAL REQUIREMENTRECOMMENDATION

*Moved Mr Muhlhausler that the Committee recommend;
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.
Seconded Cr Piggott*

Carried

A projected cash flow will be presented at the Board meeting as part of Report 7.2.

RECOMMENDATION

The Board note the annual fluctuation in the Operating Cash Flow Balance and supports the inclusion of additional information within the standing Financial Report to assist ongoing and up-to-date 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 Board 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 25/11/19) has a cash balance of circa \$3,300,000 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 \$3,200,000 are expected. These expenses include loan repayments wages and salaries, operational expenditure, ATO obligations and Capital Expenditure not funded through loans. Further information on the forecasted cash flow will be presented at the meeting.

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. This position along with noting the \$29,000 BR1 surplus was supported by the Audit & Risk Management Committee at its meeting on 19 November 2019 (refer to page 11 of the meeting papers for recommendation).

RECOMMENDATION

The Board:

1. Notes and accepts the operating surplus of \$29,000 associated with the 2019/20 Budget Review One.
2. Resolves that for reasons of maintaining sufficient cash flow and to fund working capital commitments for the remainder of the FY2020, that the 2018/19 operating surplus of 136,000 is retained.

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

FY 2019		FY 2020	FY2020
Audited Actuals		Adopted Budget	Proposed Budget
\$'000		\$'000	\$'000
	INCOME		
15,440	User Charges	15,576	16,010
32	Investment income	30	30
38	Grants, subsidies and contributions	-	-
684	Other	676	676
16,194	TOTAL INCOME	16,282	16,716
	EXPENSES		
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
16,058	TOTAL EXPENSES	16,145	16,562
136	OPERATING SURPLUS / (DEFICIT)	137	154
32	Asset disposals & fair value adjustments	-	13
168	NET SURPLUS / (DEFICIT)	137	167
-	Other Comprehensive Income	-	-
168	TOTAL COMPREHENSIVE INCOME	137	167

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

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

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

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

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

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

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)
136	Operating Surplus / (Deficit)	137	154
Net Outlays on Existing Assets			
(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
97		(535)	(283)
Net Outlays on New and Upgraded Assets			
-	Capital Expenditure on New and Upgraded Assets	-	-
-	Amounts Specifically for New and Upgraded Assets	-	-
-	Proceeds from Sale of Surplus Assets	-	-
-		-	-
233	Net Lending / (Borrowing) for Financial Year	(398)	(129)

7.3: FLEET ASSET MANAGEMENT PLAN 2020-2030

REPORT AUTHOR: General Manager

ATTACHMENTS: A: DRAFT East Waste Fleet Asset Management Plan

Purpose of the Report

To provide the Board with an opportunity to provide input and commentary into the updated DRAFT East Waste Fleet Asset Management Plan, prior to inclusion in the draft Long-term Financial Management Plan.

Background

Administration is currently in the process of undertaking a review of the Long-term Financial Plan (LTFP) (refer to Report 7.4 for draft Principles & Assumptions). 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
Incremental Age Saving		\$ 2,080	\$ 3,120	\$ 12,480

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.

Administration presented a *DRAFT East Waste Asset Management Plan 2020-2030* (refer Attachment 1) to the Audit & Risk Management Committee November meeting, with the Committee resolving:

FLEET ASSET MANAGEMENT PLAN 2020-2030

Moved Mr Barone that 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, and that this decision is reviewed annually by Administration, to ensure the optimum retention period is retained.*
- 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.*

Seconded Cr Piggott

Carried

RECOMMENDATION

That the Board:

- 1. Endorses and adopts the DRAFT *East Waste Fleet Asset Management Plan 2020 - 2030*.**
- 2. Endorses the benefits and rationale of extending the retention of fleet collection vehicles for a further year to an eight-year replacement cycle, and that this decision is reviewed annually by Administration, to ensure the optimum retention period is retained.**
- 3. Recommends 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

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Fleet Asset Replacement Plan 2020 -20305

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

7.4: LONG TERM FINANCIAL PLAN – PRINCIPLES & ASSUMPTIONS

REPORT AUTHOR: General Manager
ATTACHMENTS: Nil

Purpose of the Report

To provide an opportunity for the East Waste Board to review and provide input into the DRAFT principles and assumptions 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 are tabled at Agenda Item 7.4 for the November 2019 Board Meeting.

Report

Prior to presenting a final draft of the LTFP to the Audit and Risk Management Committee (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 were tabled before the Committee at their meeting held 19 November 2019, who resolved:

1.1 LONG TERM FINANCIAL PLAN – PRINCIPLES & ASSUMPTIONS

RECOMMENDATION

Moved Mr Muhlhausler that the Committee recommends the presented draft principles and assumptions, as reviewed, be presented to the East Waste Board for their consideration and input.

Seconded Cr Piggott

Carried

The DRAFT principles and assumptions are now presented for consideration of the Board.

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 Board endorses the draft principles and assumptions presented to support the development of East Waste's Long Term Financial Plan.

7.5: EAST WASTE STRATEGIC PLAN VISION, OBJECTIVES AND STRATEGIES

REPORT AUTHOR: General Manager

ATTACHMENTS: A: DRAFT East Waste Strategic Plan Vision, Objectives & Strategies

Purpose of the Report

To provide the Board with an opportunity to provide input and commentary into the updated DRAFT East Waste Strategic Plan Vision, Objectives & Strategies, prior to development of a draft Strategic Plan for Member Council and stakeholder comment.

Background

The East Waste Charter requires the development of a ten-year Business Plan (refer Clause 43). This document commenced as a revision of the East Waste Business Plan 2015 – 2024, however it quickly became apparent that the maturity and evolution of the Organisation over recent years rendered this earlier document redundant. Furthermore, if East Waste is to achieve its Vision of being *“the leading waste logistics company in Australia through the delivery of innovative collection and resource management services to our Member Councils & their Communities”* a far more aspirational guiding document was required.

The draft document is referred to as a Strategic Plan, so as to avoid confusion with the Annual Business Plan. Schedule 2, Clause 24 of the Local Government Act 1999, provides the basis for requirements and inclusions.

Initial consultation and feedback with Member Councils and the Board has been undertaken over a number of months, with strong and consistent feedback around the need to enhance waste education.

Report

Taking the information gathered from consultation to date and in context with the industry changes and outlook, Administration have developed a complete new set of Vision, Objectives, Strategies and Key Performance Indicators. The initial draft of these are provided in Attachment A (refer Attachment A) for Members review and comment. It is intended that specific discussion will take place at the Board meeting around the Vision, Objectives, Strategies and Key Performance Indicators.

The current East Waste Business Plan (2015 -2024) is very operational in nature (as required at the time of development). The overall intent with the draft Strategic Plan and Key Performance Indicators (KPIs) is to make the document more high-level and consistent with the nature of Strategic Plans and aspirational vision of East Waste.

The Objectives have been developed around five pillars that are seen to be integral to delivering on East Waste’s Vision. These are:

1. Deliver cost-effective and efficient services/facilities;
2. Maximise source separation and recycling;
3. Provide leading and innovative behaviour change and education;
4. Help develop a local circular economy; and
5. Provide Leadership.

A collective total of 21 objectives, which are detailed further on pages 2-7 of Attachment A, sit below these.

The intention following feedback from the Board is to complete a draft of *the East Waste Strategic Plan 2020 - 2030*, which can then be distributed to East Waste Member Councils and key stakeholders for comment.

Feedback from this process will then be presented to the Board, early in 2020 for consideration, prior to endorsement of a final *East Waste Strategic Plan 2020 -2030*.

RECOMMENDATION

That the Board, for the purpose of consultation with Member Councils and key stakeholders:

- 1. Endorses the DRAFT *East Waste Strategic Plan 2020 -2030*, Vision.**
- 2. Endorses the DRAFT *East Waste Strategic Plan 2020 -2030*, Objectives.**
- 3. Endorses the DRAFT *East Waste Strategic Plan 2020 -2030*, Strategies.**
- 4. Endorses the DRAFT *East Waste Strategic Plan 2020 -2030*, Key Performance Indicators.**
- 5. Supports the development of a DRAFT *East Waste Strategic Plan 2020 -2030*, document.**

East Waste Draft Strategic Plan Vision, Objectives & Strategies

Vision	To be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services to our Member Councils & their Communities				
Objectives	1. Deliver cost-effective and efficient services/facilities	2. Maximise source separation and recycling	3. Provide leading and innovative behaviour change and education	4. Help develop a local circular economy	5. Provide leadership
Strategies 	1.1 Attract additional services and/or new councils where further economies-of-scale can be achieved 1.2 Offer a single contract for the management of the residual waste to all member councils 1.3 Partner with other councils and organisations to achieve greater synergies and economies of scale in service delivery 1.4 Investigate and implement collection technologies and innovation 1.5 Provide a high standard of Customer Service	2.1 Provide more service choice and flexibility to residents on kerbside services to support them to increase their recycling levels 2.2 Provide a tailored 3-stream service to Multi- Unit Dwellings (MUDs) to support waste reduction and increased recycling 2.3 Pilot a tailored service delivery model across a business precinct(s) to support waste reduction and increased recycling	3.1 Engage in research and projects delivering evidence-based data which increases behaviour change decision making 3.2 Develop an integrated and tailored long-term community behaviour change and education program 3.3 Identify and trial behaviour change programs aimed at reducing contamination 3.4 Encourage and support councils to introduce an incentive(s) to households to reduce their landfill volumes 3.5 Engage schools in behaviour change & waste education	4.1 Support local reprocessing and procurement of recycled content products 4.2 Encourage and support councils to procure and use recycled content products 4.3 Support councils to implement sharing economy and reuse initiatives 4.4 Investigate options to process and extract the highest value from collected resources	5.1 Implement best practice safety standards 5.2 Advocate on behalf of our Member Councils 5.3 Invest in our people 5.4 Quality and transparent Corporate (Governance & Financial) Activities
KPIs (interim targets to be developed)	<ul style="list-style-type: none"> • The cost per service entitled premises (\$/SEP) is in line with costs of equivalent services in the market • At least 75 percent (by wt) of total kerbside materials are separately collected and recycled by 2030 • At least 80 percent (by wt) of total food waste is separately collected and recycled by 2030 • At least 60 percent (by wt) of kerbside materials from MUDs are separately collected and recycled by 2030 • At least 60 percent (by wt) of materials from businesses serviced are separately collected and recycled by 2030 • Reduce average contamination of kerbside commingled recycling stream to less than 9 percent (by wt). 				

Objective 1: Deliver cost-effective, efficient and continuously improved services

East Waste exists first and foremost to deliver high-quality, efficient and cost-effective service to our Member Councils. We will continue to pursue this through the following strategies.

1.1 Attract additional services and/or new councils where further economies-of-scale can be achieved

East Waste will pursue and remain open to broadening Member or client Councils and or services (within the remit of the East Waste Charter and *Local Government Act 1999*), where operating values align and economic and logistical savings for existing Member Councils can be achieved.

1.2 Offer a single contract for the management of the residual waste on behalf of all member councils

East Waste collects and manages over 20% of Adelaide's kerbside collections, making us a significant player in the local waste market. East Waste has head contracts in place to process collected co-mingled recycling and organics on behalf of its Member Councils. The significant volume and market certainty result in cost effective pricing models. There is an opportunity to investigate offering councils a joint contract for the management of the residual waste.

1.3 Partner with other councils and organisations to achieve synergies and greater economies-of-scale

Enhanced outcomes and efficiencies can be gained through aggregating and partnering with external organisations and institutions (locally, nationally and internationally). We will seek and develop opportunities that provide value to the Organisation, our Member Councils and importantly the community we service. This extends beyond collections and processing to include education, behaviour change programs, research and advocacy.

1.4 Investigate and implement collection technologies and innovation

East Waste will build on our historical success to implement technology and collection advancements which increase efficiency, knowledge, data, customer service, behaviour change and/or reduce operational costs and risk. Further to the procurement of South Australia's first fully electric waste collection vehicle, we will continue to pursue moving towards a low-emissions fleet.

1.5 Provide a high standard of Customer Service

East Waste recognises the value and respect derived from high quality Customer Service. We will invest in programs and technology which improves customer service relations, increased accessibility and service standards. This will include the automation of activities as applicable.

Objective 2: Maximise source separation and recycling

The current one-size fits all model for kerbside services is an effective service delivery base. However, opportunities exist to drive up source separation and recycling levels. This can be achieved by delivering services that better suit the diverse waste profiles and needs of our customers.

2.1 Provide more service choice and flexibility to residents on kerbside services to support them to increase their recycling levels

Recycling and diversion can be significantly enhanced by minor modifications to the kerbside model which suit the needs of different demographics. East Waste will work with Member Councils to implement & demonstrate the benefits and logistics of implementing a choice and flexibility model across their Council.

2.2 Provide a tailored 3-stream service to Multi- Unit Dwellings (MUDs) to support waste reduction and increased recycling

Several suburbs across our Member Councils are undergoing a housing transformation which sees a rise in the number of medium density houses and multi-unit dwellings, which is expected to continue for the life of this plan. In many cases this results in the existing 3-bins system not being a viable option. East Waste will develop a service offering, with a focus on the maximisation of resource recovery, for Member Councils to provide should they opt to.

2.3 Pilot a tailored service delivery model across a business precinct(s) to support waste reduction and increased recycling

Business precincts are significant generators of avoidable waste to landfill and opportunity exists to create tailored waste solutions while at the same time improving environmental performance. East Waste will establish a pilot program to address the current barriers faced within a typical business precinct

Objective 3: Provide leading and innovative waste behaviour change programs and education

East Waste is cognisant of the need to influence behaviour change in the community to achieve the ambitious diversion targets set out in this plan. This includes ensuring that material is placed in the correct bin (or elsewhere as appropriate), retaining the resource at its highest value and minimising contamination. East Waste will undertake the following strategies to maximise this.

3.1 Engage in research and projects delivering evidence-based data which increases behaviour change decision making

Measuring the value of waste education, which has considerable resource investment, is challenging. Even more challenging is determining behaviour change effectiveness. East Waste will invest in research and projects that provide a deeper insight into the psyche of behaviour change in the waste space in order to develop our knowledge bank, make more informed choices and ultimately deliver targeted, effective programs.

3.2 Develop an integrated and tailored long-term behaviour change and education program

Waste education across Australia has typically focused on single, short-term projects. These efforts are largely fragmented and results in increasing awareness and short-term benefits, however, do not have the required cut-through to sustain long-term behaviour change.

East Waste will partner with like-minded Organisation and institutions to develop a long-term integrated education and behaviour change program which is well-considered, evidence-based, involving, piloting, testing and evaluating prior to ultimately deliver an effective suite of coordinated actions across all Member Councils.

3.3 Identify and trial behaviour change programs aimed at reducing bin contamination levels

Central to best-practice recycling is the minimisation of contamination in the co-mingled and recycling bins. Contamination of materials leads to a decline in the quality of the end resource and significant costs, which are ultimately passed through to Member Councils. East Waste will continue to identify and trial programs options which work towards East Waste Member Councils collectively having the lowest recycling and green bin contamination levels in Australia.

3.4 Encourage and support councils to introduce an incentive(s) to households to reduce their landfill volumes

With the current structure of Council rates, waste-related fees are uniform across the Council, regardless of diversion habits or volume generation. Diversion of comingled and food waste from landfill offers significant financial and emission savings to Member Councils. There is an opportunity to promote behaviour change and increase uptake

through offering diversion incentives to the community. East Waste will undertake research and implement trials to identify the most appropriate mechanism(s) to deliver an effective, incentives-based behaviour change program which drives down waste to landfill

3.5 Engage schools in behaviour change & waste education

School-based education provides an ideal opportunity to influence in-home behaviour change and has been a staple of the East Waste education program over the past five years. East Waste will review and refine the program to ensure the messaging is targeted and effective.

Objective 4: Help develop a local circular economy

4.1 Support local reprocessing and procurement of recycled content products

Local Government have diverse and significant procurement power and as such can greatly assist in establishing and sustaining recycled content markets. A number of Council's have established procurement targets, but more needs to be done through active and sustained procurement.

We will assist Member Councils by sending our collected recyclables to a Material Recovery Facility which shares our values and objectives in moving to a more circular economy and assist with the identification and connection of appropriate markets.

4.2 Encourage & support Member Councils to procure and use recycled content products

It is well recognised that with the COAG ban of overseas waste resource exports, on-shore secondary processing must be established. This processing will only remain viable if consistent on-going end markets are developed. Local Government is a significant procurer of goods and as such can play a key role in under-pinning these industries. East Waste will work with Member Councils to identify symbiotic opportunities and connections.

4.3 Support councils to implement sharing economy and reuse initiatives

Community sharing and reuse of products leads to a reduction in waste volumes and costs. We will support our Member Councils to implement sharing economy and reuse initiatives. This may include providing advice and support with implementation of initiatives as appropriate.

4.3 Investigate options to process and extract the highest value from collected resources

All material placed in the kerbside bins is a resource. For society's long-term sustainability and maximisation of the economic benefits of the resources it is imperative the resources are retained and processed at their highest order. East Waste will work with new and existing partners to identify and pursue opportunities and to advocate for the best environmental, economic and circularity benefits of all materials collected.

Objective 5: Leadership

5.1 Implement best practice safety standards

East Waste is committed to implementing and adhering to high level work, health and safety principles and activities. The Work Health and Safety (WHS) ethos is integrated into all activities rather than added on and continual improvement in this area will be actively pursued.

5.2 Advocate on behalf of our Member Councils

One of East Waste's key strengths lies within the collective size and influence of its member councils. East Waste will draw on this to provide proactive leadership, advocacy and advice as appropriate on relevant waste related matters which influence the industry and member councils.

5.3 Invest in our people

East Waste places great regard in the knowledge, skills, experience and health of its employees to continually meet and exceed the service standards required. To remain at the forefront of the waste industry, East Waste will invest in growth and knowledge opportunities and structured performance systems that encourages excellence.

5.4 Quality and transparent Corporate (Governance & Financial) Activities

As a regional subsidiary East Waste will implement effective, legislatively compliant systems and processes, which meets the operational needs of the Organisation and transparency requirements of our Member Councils. Information will be provided in a timely and relevant manner to assist with informed decision making.

7.6: Annual Plan Progress Report

REPORT AUTHOR: General Manager

ATTACHMENTS: A: Annual Plan Implementation Summary

Purpose of the Report

To provide the Board with an update on the implementation of the activities endorsed in the 2019/20 Annual Plan.

Background

At the June 2019 Board meeting the Board resolved (in part):

DRAFT 2019/20 ANNUAL BUSINESS PLAN & BUDGET

Moved Mr Bradley that the Board:

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

Seconded Cr Green

Carried

Report

The attached matrix (refer Attachment A) provides a snapshot update as to the progress of the Annual Plan activities.

This is a standing item on the Board Agenda.

Recommendation

That the report be received and noted.

Attachment A –Annual Plan Implementation Summary Matrix

Activity Code	Activity	10YR Business Plan Link	Metric	Status
G1	Implementation of a compliant Records Management System	2.3.3	<i>State Records Act 1997</i> Compliant Records Management System integrated into business activities.	Ongoing.
G2	Implementation of Policies and Procedures GAP Analysis	2.3.3	All Policies and Procedures updated to ensure governance, legislative responsibilities and operational consistency is maintained.	Not yet commenced. To be incorporated into Risk Management and Work, Health & Safety Action Plan.
G3	Review of Business Continuity Plan	2.3.3	Business Continuity plans are in place to minimise risk to service delivery.	Not yet commenced. To be undertaken following finalisation of Long-term Financial Plan
OM1	Continue & Expand Existing Core Services	1.3 2.4.1	Expansion of existing Service Provisions are investigated and undertaken in a financially sustainable & beneficial manner to existing Member Councils.	Ongoing Assessment & offerings
OM2	Upgrade Fleetmax to Waste Track and computer hardware/cloud server	2.4.2	Systems installed to deliver optimal Customer Service and reporting capabilities.	Underway.
OM3	Purchase of replacement RACVs	2.4.7	Replacement of collection vehicles in accord with AMP to ensure operational needs are met.	1x EV & 4 & diesel-powered RACVs ordered. EV arrival early Feb 2020 and diesel RACVs March 2020
OM4	Waste Disposal Opportunities	2.4.5	Presentation to Member Councils of financially sustainable & environmentally responsible contract offer which meets their business needs.	Preliminary investigations undertaken in relation to potential alternative disposal opportunities. Further work to be undertaken.
C1	Continued implementation of 'Why Waste It?' Program	2.5.2	Rollout of <i>Why Waste It?</i> Campaign to complement statewide education and service the needs of Member Councils.	Ongoing – Program supporting Council events season and development of annual waste calendars

C2	Implementation of Kerbside Services Plan	2.5.2	Development of a long-term integrated behavior change Program, designed to reduce waste to landfill and contamination levels.	Underway and due for presentation to Board in early 2020.
C3	Customer/Staff Satisfaction Survey	2.4.6.5 2.5.1	High Net Promoter Score (or similar metric) achieved with an increase in customer satisfaction rating regarding service delivery, timely response to opportunities and issues and appropriate reporting.	To be undertaken early 2020
WS1	Independent Truck Fleet Audit	2.6.2	All trucks audited and identified issues corrected to ensure safe and compliant fleet.	Completed – no major defects identified
WS2	Implementation of the 2019 Risk Management Evaluation Plan	2.3.3	All actions implemented in timely manner.	Evaluation undertaken, Action Plan to be developed.
FM1	Review of Accounting Program	2.7.1	Sound financial services and systems in place.	To be undertaken early 2020
FM2	Review of Long-term Financial Plan	2.7.2	LTFP is reviewed and KPIs met to ensure financial sustainability of East Waste and competitive service delivery for Member Councils.	Underway. Final Plan to be delivered early 2020
FM3	Asset Evaluation Assessment	2.3.3	Assessment undertaken and actions implemented to ensure appropriate risk mitigation.	Completed.

7.7: BOARD APPOINTEES TO AUDIT & RISK MANAGEMENT COMMITTEE

REPORT AUTHOR: Manager, Corporate Services
ATTACHMENTS: Nil

Purpose of the Report

To seek the East Waste Board's endorsement to appoint Board Members to vacancies on the Audit & Risk Management Committee.

Background

Cr Piggott and Mr Barone, along with the Chair are the current Board appointees to the legislatively required East Waste Audit & Risk Management Committee. *Clause 4 – Membership* of the Audit & Risk Management Committee Terms of Reference states:

“Board Member appointments to the Committee shall be for a period of twelve months from the date of appointment and are eligible for reappointment. Board Member nominations and appointments are to be made by the East Waste Board at their final meeting of each calendar year.”

The term of Membership expires on 31 December 2018 for both Mr Barone and Cr Piggott.

Report

Cr Piggott has advised of his intention to not renominate in 2020 as the City of Burnside appointee on the East Waste Board, hence is ineligible to serve on the Audit & Risk Committee. Separately there will be a new Chair and a new Independent Member (refer Report 8.1), which collectively results in at least three (3) new members within a very short space of time. Should Mr Barone not renominate it would result in only Independent Member, Mt Tim Muhlhausler remaining. As such Administration sees value in Mr Barone continuing for at least another term to assist with knowledge retention and stability.

Nominations will therefore be sought from Board Members to the nominated vacancies at the 28 November 2019 Board meeting.

RECOMMENDATION

1. That the Board appoint _____ and _____ to the East Waste Audit & Risk Management Committee for a period of one (1) year in accordance with the Audit & Risk Management Committee Terms of Reference.

7.8: 2020 Proposed Meeting Schedule

REPORT AUTHOR: Finance & Executive Administration Officer
ATTACHMENTS: Nil

Purpose of the Report

To provide the Board 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, 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 Board receives and notes the report.