



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

TUESDAY 11 FEBRUARY 2020

Notice is hereby given that a meeting of the Audit and Risk Management Committee of the Eastern Waste Management Authority will be held at the Mayor's Parlour, City of Norwood Payneham, & St Peters, 175 The Parade, Norwood on Tuesday 11 February 2020 commencing at 8:30am.

A handwritten signature in blue ink, appearing to read "Rob Gregory", with a long horizontal stroke extending to the right.

**ROB GREGORY
GENERAL MANAGER**



**EASTERN WASTE MANAGEMENT AUTHORITY
AGENDA**

AUDIT AND RISK MANAGEMENT COMMITTEE

Meeting to be held on Tuesday 11 February 2020

**commencing at 8:30am, at Mayor’s Parlour, City of Norwood, Payneham & St Peters,
175 The Parade, Norwood**

1. PRESENT

2. APOLOGIES

3. CONFLICTS OF INTEREST

4. CONFIRMATION OF THE MINUTES:

4.1 MEETING HELD 19 NOVEMBER 2019

5. MATTERS ARISING FROM THE MINUTES

6. QUESTIONS WITHOUT NOTICE

7. REPORTS

7.1 FINANCIAL STATEMENTS – BUDGET REVIEW TWO pg. 5

7.2 2020/21 DRAFT ANNUAL PLAN & BUDGET pg. 13

7.3 TREASURY MANAGEMENT PERFORMANCE REPORT pg. 42

7.4 2019 RISK EVALUATION SUMMARY & ACTION PLAN pg. 49

8. CONFIDENTIAL REPORTS

NIL

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:

Tuesday 21 April 2020, commencing 8:30am, Mayor’s Parlour, City of Norwood, Payneham & St Peters, 175 The Parade, Norwood

11. CLOSURE OF MEETING



**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

7.1: FINANCIAL REPORT – BUDGET REVIEW TWO

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
	F: Cash Flow Forecast

Purpose of the Report

To provide the Committee with an opportunity to review the second review undertaken of the budgeted statutory Financial Statements (Budget Review Two) 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 Two is forecasting a revised FY2020 Operating Surplus of \$323,100 which is a \$156,500 increase on the FY2020 Adopted Budget (budget movement compared to the adopted FY2020 Budget Review 1). Key financial risks and most material budget items continue to be closely monitored and tracked by the Administration.

The projected Operating Surplus is significant in nature and the key reason for this result is the now known delay in arrival of the 5 fleet trucks being changed over. These were initially scheduled for September 2019 but will now not be completed until mid-late February 2020. This results in a deferment of both depreciation and expected loan repayments which had been accounted for in the current FY2020 financial year. While this results in a current year saving, it will result in an increase in costs for the FY2021 budget. In addition, there are several projects that have not commenced, or we have yet to be invoiced for, which accounts for the remainder of the surplus.

Table 1 summarises the year to date performance as at 31 December 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

Item	YTD Actuals (as at 31/12/2019)	Proposed Budget Variation	Notes
Recycling Processing Fee & Income	\$1.013M	\$0.380M	Significant global downturn in the fibre market, and a contracted domestic market has caused further commodity decreases. This results in an unbudgeted increase to the Rise & Fall component of the Contract for the remainder of FY2020. Any increase in processing fees will be directly offset by Member Council in income, resulting in a net balance for East Waste.
Hard Refuse Disposal & Income	\$0.362M	\$0.099M	Predominately associated with steep increase in the number of mattresses collected. Mattress disposal accounts for one-third of all hard waste disposal costs. Any increase in processing fees will be directly offset by Member Council in income, resulting in a net balance for East Waste.
Fuel, Gas & Oil	\$0.685M	\$-	Fuel costs are presently on budget, with terminal gate pricing remaining relatively stable despite domestic pricing fluctuations.
Depreciation	\$0.921M	-\$0.120M	As a result of an unforeseen delay in the delivery of new trucks Depreciation has been reduced.
Interest Expense	\$0.123M	-\$0.005M	The delay in the delivery of Fleet vehicles has resulted in a delay of external loan drawdown. Payments originally anticipated for the current financial year have been deferred and expected to now commence in FY2021.
Wages & Salaries (incl. Casual Staff)	\$2.315M	\$-	Total Wages and Salaries, inclusive of Superannuation remains on budget.

The 2018/19 Operating Surplus of \$136,000 is scheduled to be returned to Member Councils in early March 2020 through a distribution (refer Attachment C). The Operating Surplus has occurred on a budget derived by charging Member Councils based on their Common Fleet Collection Percentage. As such the funds will be distributed to Councils on the 2018/19 Common Fleet percentage splits.

Budget Review Two is now forecasting East Waste to have a \$0.168M increase in cash on hand compared to the start of the financial year. East Waste will be using \$0.211M of existing cash reserved to fund non-fleet replacement capital costs in FY2020.

Forecast Cash Reserves

East Waste's cash reserves remain appropriate and healthy for the remainder of the financial year (refer Attachment F). As per the current and previous year this figure is expected to be drawn down significantly (to approximately \$400,000 - \$600,000 in July, prior to first quarter payments being received from member councils. As per *East Waste's Treasury Management Policy*, short-term cash investments will be utilised in the interim to maximise interest earnings.

Should the forecasted operating surplus materialise at the end of the financial year, this will increase the cash on hand further and all things being equal, to a level greater than is required for operational requirements. Management of this will occur at the conclusion of the financial year.

RECOMMENDATION

The Committee notes and accepts the operating surplus of \$323,100 associated with the 2019/20 Budget Review Two and recommends to the Board for endorsement.

EAST WASTE**PROJECTED STATEMENT OF COMPREHENSIVE INCOME (BUDGET)**

for the Financial Year Ending 30 June 2020

FY 2019		FY 2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted	Proposed
\$'000		\$'000	Budget	Budget
			(BR1)	(BR2)
			\$'000	\$'000
	INCOME			
15,440	User Charges	15,576	16,010	16,489
32	Investment income	30	30	20
38	Grants, subsidies and contributions	-	-	-
684	Other	676	676	681
16,194	TOTAL INCOME	16,282	16,716	17,190
	EXPENSES			
5,580	Employee Costs	5,545	5,545	5,545
8,229	Materials, contracts & other expenses	8,240	8,411	8,905
1,959	Depreciation, amortisation & impairment	1,970	2,222	2,103
290	Finance costs	390	384	334
16,058	TOTAL EXPENSES	16,145	16,562	16,887
136	OPERATING SURPLUS / (DEFICIT)	137	154	303
32	Asset disposals & fair value adjustments	-	13	20
168	NET SURPLUS / (DEFICIT)	137	167	323
-	Other Comprehensive Income	-	-	-
168	TOTAL COMPREHENSIVE INCOME	137	167	323

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

FY 2019		FY 2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Proposed Budget (BR2)
\$'000		\$'000		\$'000
ASSETS				
CURRENT ASSETS				
1,967	Cash & Cash Equivalents	2,233	1,998	2,100
717	Trade & Other Receivables	412	717	717
-	Other Financial Assets	-	-	-
2,684	TOTAL CURRENT ASSETS	2,645	2,715	2,817
NON-CURRENT ASSETS				
6,100	Infrastructure, Property, Plant & Equipment	6,611	7,487	7,776
6,100	TOTAL NON-CURRENT ASSETS	6,611	7,487	7,776
8,784	TOTAL ASSETS	9,256	10,202	10,593
LIABILITIES				
CURRENT LIABILITIES				
771	Trade & Other Payables	821	771	771
1,987	Borrowings	2,287	2,287	2,287
540	Provisions	640	500	580
3,298	TOTAL CURRENT LIABILITIES	3,748	3,558	3,638
NON-CURRENT LIABILITIES				
4,702	Borrowings	4,751	5,733	5,880
78	Provisions	102	38	118
4,780	TOTAL NON-CURRENT LIABILITIES	4,853	5,771	5,998
8,078	TOTAL LIABILITIES	8,601	9,329	9,636
706	NET ASSETS	655	873	957
EQUITY				
706	Accumulated Surplus	655	873	957
706	TOTAL EQUITY	655	873	957

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

FY 2019		FY2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Proposed Budget (BR2)
\$'000		\$'000	\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
RECEIPTS				
16,572	Operating Receipts	16,252	16,701	17,185
32	Investment Receipts	30	30	20
PAYMENTS				
(5,555)	Employee costs	(5,545)	(5,545)	(5,545)
(8,260)	Materials, contracts & other expenses	(8,160)	(8,594)	(9,088)
(309)	Interest Payments	(390)	(384)	(280)
2,480	NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	2,187	2,208	2,292
CASH FLOWS FROM INVESTING ACTIVITIES				
RECEIPTS				
35	Sale of Replaced Assets	35	35	83
PAYMENTS				
(1,897)	Expenditure on Renewal/Replaced Assets	(2,540)	(2,540)	(2,580)
-	Expenditure of New/Upgraded Assets	-	-	-
(1,862)	NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES	(2,505)	(2,505)	(2,497)
CASH FLOWS FROM FINANCING ACTIVITIES				
RECEIPTS				
65	Capital Contributed by Member Councils	-	65	65
1,814	Proceeds from Borrowings	2,260	2,260	2,260
PAYMENTS				
(1,906)	Repayment of Borrowings	(1,987)	(1,987)	(1,840)
-	Distribution - Member Councils	-	-	(137)
(27)	NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	273	338	348
591	NET INCREASE (DECREASE) IN CASH HELD	(45)	41	142
1,367	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	2,278	1,958	1,958
1,958	CASH & CASH EQUIVALENTS AT END OF PERIOD	2,233	1,999	2,100

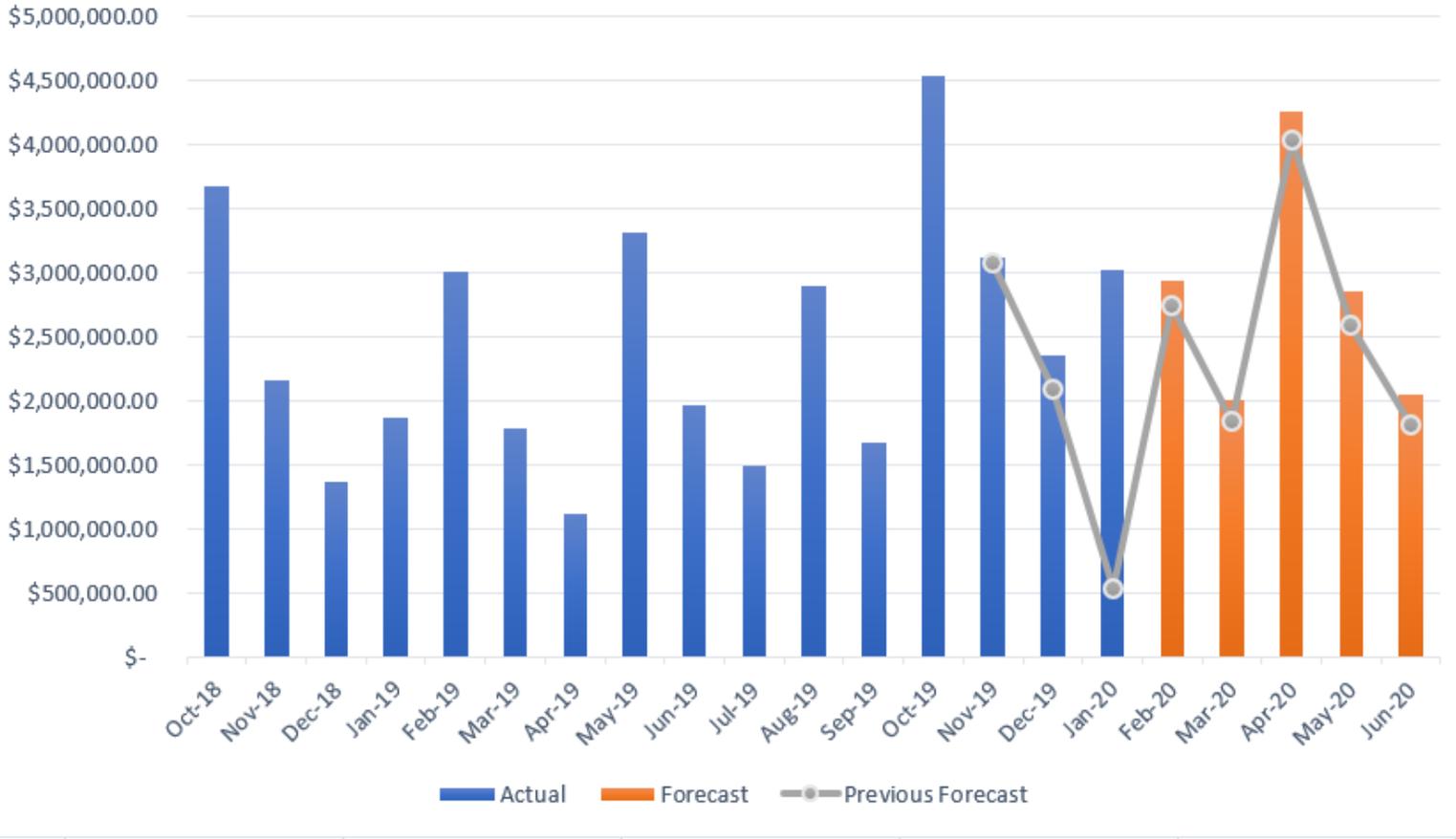
EAST WASTE**PROJECTED STATEMENT OF CHANGES IN EQUITY (BUDGET)**
for the Financial Year Ending 30 June 2020

FY 2019		FY 2020	FY 2020	FY2020
Audited Actuals		Original	Adopted	Proposed
\$		Budget	Budget	Budget
		\$'000	(BR1)	(BR2)
				\$'000
473	BALANCE AT END OF PREVIOUS REPORTING PERIOD	518	706	706
168	Net Surplus / (Deficit) for Year	137	167	323
65	Contributed Equity	-	-	65
-	Distribution to Member Councils	-	-	(137)
706	BALANCE AT END OF REPORTING PERIOD	655	873	957

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

FY 2019		FY 2020	FY2020	FY2020
Audited Actuals		Original Budget	Adopted Budget (BR1)	Proposed Budget (BR2)
\$'000		\$'000	\$'000	\$'000
16,194	Income	16,282	16,716	17,190
16,058	Expenses	(16,145)	(16,562)	(16,887)
136	Operating Surplus / (Deficit)	137	154	303
Net Outlays on Existing Assets				
(1,897)	Capital Expenditure on Renewal and Replacement of Existing Assets	(2,540)	(2,540)	(2,580)
1,959	Depreciation, Amortisation and Impairment	1,970	2,222	2,103
35	Proceeds from Sale of Replaced Assets	35	35	83
97		(535)	(283)	(395)
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)	(91)

East Waste Cash Flow Analysis October 2018 - June 2020



7.2: DRAFT 2020/21 ANNUAL PLAN & BUDGET

REPORT AUTHOR: General Manager
ATTACHMENTS: A: East Waste 2020/21 Draft Annual Plan
B: East Waste Budget Framework Policy

Purpose of the Report

To consult with the Authority's Audit and Risk Management Committee (the Committee) on the key assumptions applied in the development of the Draft 2020/21 Annual Plan and Budget prior to being presented to the East Waste Board.

Background

Section 51 of the Eastern Waste Management Authority Charter requires the Authority to have an Annual Plan which supports and informs its Budget. The draft Annual Plan and appended Draft Budget will be presented to the Board on 20 February 2020 seeking endorsement to distribute to Member Councils for their review prior to the mandated 31 May timeframe (*Section 52.3 of the Charter*). Additionally, *Section 53* requires the Authority to advise Constituent Councils of proposed fees for the next financial year by April 1.

Report

Draft 2020/21 Annual Plan

The *East Waste 2020/21 Draft Annual Plan* (the Plan, refer Attachment A) has been developed in close alignment with the *East Waste Business Plan 2015-2024*. With East Waste's 10 Year Business Plan currently under review and likely to be superseded prior to the final adoption of this Annual Plan, this Plan has adopted a 'hybrid' approach with respect to referencing strategic objectives. Notwithstanding the *2020/21 Draft Annual Plan* maintains our core intent of being "*the most efficient and respected waste logistics company in Australia through the delivery of world-class resource management and educational services to our Member Councils and their Communities.*"

The Plan and budget have been developed on the basis that there are no known extraordinary or abnormal items that need to be accounted for. The Activities within the Plan have been developed following consultation with Member Councils (through the Operations Assistance Committee), Board direction over the past 12 months, feedback via the General Manager's Performance Review Committee and the undertaking of an industry horizon scan by Administration. Feedback on the Plan will be sought at the meeting.

Draft 2020/21 Budget

The Draft 2020/21 Budget (refer Attachments A & B) has been developed with reference to a number of key guiding documents and assumptions which are detailed below.

Key Guiding Documents:

- East Waste Business Plan 2015-2024;
- East Waste Budget Framework Policy (refer Attachment A);
- East Waste's Long-Term Financial Plan; and
- East Waste's Fleet Asset Management Plan.

Key Assumptions & Rationale:

General

- Business as usual approach to all key activities, albeit, continue to pursue 'gaps' in the existing Service Matrix.
- CPI increase of 2.2% has been applied to all situations where required.
- Financial Target 1 of the *East Waste Budget Framework Policy* requires the application of a 1 -2% return on revenue based on the draft FY2021 Common Fleet Costing charges (currently \$12,821,000). As yet this has not been incorporated into the draft budget figures. Incorporation of this will add an additional \$130,000 - \$260,000 to the total fees charged. More detail on the application of this is included below under Common Fleet Collection Costs.

Waste Collection Activities

- A 3% increase to the **Corporate Administration Fee** has been applied for the purpose of the draft budget. The Budget Framework Policy requires *"the Administration Fee is to be annually increased by the Local Government Price Index (LGPI), or the annual average percentage movement in the Common Fleet Costing Charge."* The final percentage will be set following endorsement of the draft budget by the Board.
- **Depreciation** - A substantial increase in depreciation occurs with the proposed FY21 budget. This results directly from the delayed timing of receiving replacement waste collection vehicles in the current financial year and the early replacement of vehicles in the FY21 cycle. As the percentage movement of the budget is calculated from Budget Review 2 (which saw depreciation reduced by \$120,000) the increase is exacerbated. To a large extent, the increase is offset by savings made in the current financial year.
- **Bin Supply and Maintenance** increase of 17.2% is based on the increased work experienced through the 2019 calendar year.
- **Green Organics Processing** - collections across 2019 have increased on recent years, which is predominately attributed to the more favourable growing conditions experienced. A 2% volume increase has been budgeted, resulting in an overall 4.4% increase.
- **Hard Refuse Waste Collection** has experienced the biggest processing percentage increase. This is driven by increased tonnes (increased collections), but predominately by the unexplained surge in presentation of mattresses. Mattresses attract a separate processing fee due to the difficulty in processing them and while Administration have negotiated a separate contract (which actually provides a per unit saving and sees the material recycled), mattress processing now accounts for one-third of the total hard waste processing costs. A nominal Solid Waste Levy increase has also been factored in.
- **The Recycling Processing fee** has been developed on all the known inputs and forecasts of international and domestic markets. As we have entered into a rise and fall contract and there remains enormous volatility in the recycling commodities market there is potential for this figure to fluctuate.

- **Fuel Gas and Oil** - Terminal gate pricing (which is the basis of our bulk fuel contract) has remained relatively stable across the first six months of the current financial year, despite domestic pricing fluctuations. Using this as a basis (but acknowledging recent history is no indicator of the future with fuel, particularly given its volatility to international political affairs), a 4% increase has been applied to fuel.
- **Maintenance Fleet** - this increase is extrapolated from year to date figures. Significant savings have been made to Fleet maintenance over the past three budget cycles and with the incorporation of 10 new vehicles into the fleet, expenditure should remain relatively stable.

Wages & Salaries

- Given the Authority's business model and high reliance on labour, unsurprisingly **Wages and Salaries** results in the single largest cost centre. The proposed increase incorporates Enterprise Agreement rises and other predicted salary increases, along with an additional two drivers which are required to cater for increased hard waste collections (and associated runner), an additional driver to assist with the management of recycling compaction and green organics collections through the warmer months.
- Through the budget it appears as though there is a substantial increase in the **Wages: Casual Agency** line. While this is the case year on year, the current year budget for casual staff was reduced from a FY2019 spend in excess of \$600,000. While the intent is to absolutely minimise the use of casual staff, there is an element of the workforce which is largely transient, resulting in the need to engage labour hire. Any overspend in this area is offset by savings in Wages & Salaries.

Administration & Corporate Activities

- An increase in **consulting** is proposed to assist with the delivery of actions within the Annual Plan. These include the development and roll out of a Records Management System, cost benefit analysis of service delivery, review of the education program and development of a Member Council reporting program.
- **Staff Development** - this increase results from combining the previously separate Conference fees line.
- **WHS Provision** - is the amalgamation of several lines and includes staff medicals, uniforms and protective clothing.

There have also been a large number of cost centres that have had reductions applied to them, following a diligent assessment of expenditure and future funding needs.

Capital Expenditure

- Replacement of six (6) trucks as per the Fleet Asset Management Plan. Expected cost of replacing Trucks is forecasted at \$2,400,000. As per the requirement in the Budget Framework Policy, "*Vehicle Capital Expenditure is to be funded solely via external loan borrowings. An annual review of this principle is to be confirmed through budget adoption process.*" With the recent change to the Fleet Asset Management Plan and vehicles now being retained for eight years, the loans for these vehicles will also be taken over eight years.
- A further \$30,000 to assist with finalisation of the Operations Office upgrade is budgeted. This is principally to address disability access requirements associated with the upgrade.
- The loan associated with Highbury Landfill has now matured and as such no further repayment allocations are required. This ends a significant historical matter for East Waste.

Common Fleet Collection Costs

Servicing of the Annual Plan and operations requires an increase on the Budget Review 2 results of the 2019/20 budget of \$662,000 or 5.45%. Administration recognise that as a stand-alone increase this is sizeable and given the current economic conditions it is well above CPI and expectation. However, as detailed earlier, this increase is largely the result of deferred Depreciation from the current financial year. Depreciation alone accounts for \$358,000 (2.9%) of the increase. Without this the increase would be 2.5%.

Recognising that depreciation needs to be included, Administration are of the view that the application of the 1-2% Operating surplus, adding a minimum of a further \$130,000 would not be palatable in the current economic and political climate. Hence it is not included in the proposed budget.

It is worth noting that the three biggest cost centres, Wages and Salaries (49%), Fuel (11%), and maintenance Fleet (15%), account for 75% of the total increase. If depreciation is removed, these account for 162% of the increase. This demonstrates that all other areas have been kept in balance or reduced in order to manage these large required increases, which are focussed solely on optimum service delivery.

Furthermore, East Waste will shortly return an operating surplus from the 2018/19 budget to the Member Councils and are well positioned to repeat this, based on the current Budget Review 2 projections. Considered holistically, this significantly offsets the budgeted increase. Building the budget from a zero-based budget approach ensures a forensic assessment of all cost centre expenditure (evidenced by a number of reductions) and commitment to our efficiency and cost-effective services mantra.

RECOMMENDATION

The Committee recommends:

- 1. That the draft 2020/21 East Waste Annual Plan is recommended to the Board for endorsement;**
- 2. That the draft 2020/21 Draft Budget and Key Assumptions are noted and supported for presentation to the Board;**
- 3. That the Operating Surplus requirement of the Budget Framework Policy is not applied to the draft 2020/21 Budget, given the existing fee proposal and economic environment.**

EastWaste



2020/21 Annual Plan

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Introduction

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

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

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

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

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

Delivery

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

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

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

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

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

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

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

Table 2: East Waste Service Offering to Member Councils

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

Governance

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

G1. Implementation of a compliant Records Management System

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

Operational Management

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

OM1. Continue & Expand Existing Core Services

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

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

OM2. Upgrade to WasteTrack2

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

OM3. Purchase of replacement RACVs

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

OM4. Investigate opportunities for increased reuse of Hard Waste material

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

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

Communication

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

C2. Implementation of Kerbside Services Plan

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

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

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

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

C3. Review of East Waste's Education Program

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

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

C4. Advocacy/Leadership

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

Workplace Health & Safety

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

WS1. Independent Truck Fleet Audit (A16)

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

WS2. Implementation of the 2019 Risk Management Evaluation Plan

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

Financial Management & Performance

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

FM1. Cost benefit analysis of services

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

Performance Metrics

Table 4: Summary of Activities and Performance Metrics

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

Budget Management

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

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

Attachment 1

EAST WASTE

PROJECTED STATEMENT OF COMPREHENSIVE INCOME (BUDGET)

for the Financial Year Ending 30 June 2021

FY2019 Audited Actuals \$'000		FY2020 Proposed Budget (BR2) \$'000	FY2021 Proposed Budget \$'000
	INCOME		
15,440	User Charges	16,489	17,431
32	Investment income	20	15
38	Grants, subsidies and contributions	-	30
684	Other	681	794
16,194	TOTAL INCOME	17,190	18,270
	EXPENSES		
5,580	Employee Costs	5,545	5,892
8,229	Materials, contracts & other expenses	8,905	9,556
1,959	Depreciation, amortisation & impairment	2,103	2,476
290	Finance costs	334	346
16,058	TOTAL EXPENSES	16,887	18,269
<u>136</u>	OPERATING SURPLUS / (DEFICIT)	<u>303</u>	<u>1</u>
32	Asset disposals & fair value adjustments	20	-
<u>168</u>	NET SURPLUS / (DEFICIT)	<u>323</u>	<u>1</u>
-	Other Comprehensive Income	-	-
<u><u>168</u></u>	TOTAL COMPREHENSIVE INCOME	<u><u>323</u></u>	<u><u>1</u></u>

Attachment 2

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

FY2019		FY2020	FY2021
Audited Actuals		Proposed Budget (BR2)	Proposed Budget
\$'000		\$'000	\$'000
	ASSETS		
	CURRENT ASSETS		
1,967	Cash & Cash Equivalents	2,100	2,441
717	Trade & Other Receivables	717	717
-	Other Financial Assets	-	-
2,684	TOTAL CURRENT ASSETS	2,817	3,158
	NON-CURRENT ASSETS		
6,100	Infrastructure, Property, Plant & Equipment	7,776	7,771
6,100	TOTAL NON-CURRENT ASSETS	7,776	7,771
<u>8,784</u>	TOTAL ASSETS	<u>10,593</u>	<u>10,929</u>
	LIABILITIES		
	CURRENT LIABILITIES		
771	Trade & Other Payables	771	771
1,987	Borrowings	2,287	2,300
540	Provisions	580	580
3,298	TOTAL CURRENT LIABILITIES	3,638	3,651
	NON-CURRENT LIABILITIES		
4,702	Borrowings	5,880	6,201
78	Provisions	118	119
4,780	TOTAL NON-CURRENT LIABILITIES	5,998	6,320
<u>8,078</u>	TOTAL LIABILITIES	<u>9,636</u>	<u>9,971</u>
<u>706</u>	NET ASSETS	<u>957</u>	<u>958</u>
	EQUITY		
706	Accumulated Surplus	957	958
<u>706</u>	TOTAL EQUITY	<u>957</u>	<u>958</u>

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

FY2019		FY2020	FY2021
Audited Actuals		Proposed Budget (BR2)	Proposed Budget
\$'000		\$'000	\$'000
	ASSETS		
	CURRENT ASSETS		
1,967	Cash & Cash Equivalents	2,100	2,441
717	Trade & Other Receivables	717	717
-	Other Financial Assets	-	-
2,684	TOTAL CURRENT ASSETS	2,817	3,158
	NON-CURRENT ASSETS		
6,100	Infrastructure, Property, Plant & Equipment	7,776	7,771
6,100	TOTAL NON-CURRENT ASSETS	7,776	7,771
<u>8,784</u>	TOTAL ASSETS	<u>10,593</u>	<u>10,929</u>
	LIABILITIES		
	CURRENT LIABILITIES		
771	Trade & Other Payables	771	771
1,987	Borrowings	2,287	2,300
540	Provisions	580	580
3,298	TOTAL CURRENT LIABILITIES	3,638	3,651
	NON-CURRENT LIABILITIES		
4,702	Borrowings	5,880	6,201
78	Provisions	118	119
4,780	TOTAL NON-CURRENT LIABILITIES	5,998	6,320
<u>8,078</u>	TOTAL LIABILITIES	<u>9,636</u>	<u>9,971</u>
<u>706</u>	NET ASSETS	<u>957</u>	<u>958</u>
	EQUITY		
706	Accumulated Surplus	957	958
<u>706</u>	TOTAL EQUITY	<u>957</u>	<u>958</u>

EAST WASTE**PROJECTED STATEMENT OF CASH FLOWS (BUDGET)**

for the Financial Year Ending 30 June 2021

FY2019		FY2020	FY2021
Audited Actuals		Proposed Budget (BR2)	Proposed Budget
\$'000		\$'000	\$'000
	CASH FLOWS FROM OPERATING ACTIVITIES		
	RECEIPTS		
16,572	Operating Receipts	17,185	18,255
32	Investment Receipts	20	15
	PAYMENTS		
(5,555)	Employee costs	(5,545)	(5,892)
(8,260)	Materials, contracts & other expenses	(9,088)	(9,838)
(309)	Interest Payments	(280)	(300)
2,480	NET CASH PROVIDED BY (OR USED IN) OPERATING ACTIVITIES	2,292	2,240
	CASH FLOWS FROM INVESTING ACTIVITIES		
	RECEIPTS		
35	Sale of Replaced Assets	83	50
	PAYMENTS		
(1,897)	Expenditure on Renewal/Replaced Assets	(2,580)	(2,520)
-	Expenditure of New/Upgraded Assets	-	-
(1,862)	NET CASH PROVIDED BY (OR USED IN) INVESTING ACTIVITIES	(2,497)	(2,470)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	RECEIPTS		
65	Capital Contributed by Member Councils	65	-
1,814	Proceeds from Borrowings	2,260	2,400
	PAYMENTS		
(1,906)	Repayment of Borrowings	(1,840)	(1,830)
-	Distribution - Member Councils	(137)	-
(27)	NET CASH PROVIDED BY (OR USED IN) FINANCING ACTIVITIES	348	570
591	NET INCREASE (DECREASE) IN CASH HELD	143	340
1,367	CASH & CASH EQUIVALENTS AT BEGINNING OF PERIOD	1,958	2,101
1,958	CASH & CASH EQUIVALENTS AT END OF PERIOD	2,101	2,441

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

FY2019		FY2020	FY2021
Audited Actuals		Proposed Budget (BR2) \$'000	Proposed Budget \$'000
\$			
473	BALANCE AT END OF PREVIOUS REPORTING PERIOD	706	957
168	Net Surplus / (Deficit) for Year	323	1
65	Contributed Equity	65	-
-	Distribution to Councils	(137)	-
<u>706</u>	BALANCE AT END OF REPORTING PERIOD	<u>957</u>	<u>958</u>

BUDGET FRAMEWORK POLICY	
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Type	Governance
Category	Finance
First Issued/Adopted	Board:13 December 2018
Minutes Reference	
Review Period	12 months
Last Reviewed	N/A
Next reviewed	December 2019
Applicable Legislation	<ul style="list-style-type: none"> • <i>Local Government Act 1999</i> • <i>Local Government (Financial Management) Regulations 2011</i>
Related Documents	<ul style="list-style-type: none"> • East Waste Charter • East Waste Business Plan 2015-2024 • East Waste Long Term Financial Plan
Consultation Undertaken	Audit & Risk Management Committee
Responsible Officer	Manager Corporate Services

SIGNED: East Waste Chairperson
 General Manager
 Date: ___/___/___ Date: ___/___/___

Purpose

East Waste as a Regional Subsidiary seeks to be accountable in all aspects of the budget development process and meet Member Council expectations of transparency, clarity, consistency, responsible financial management and reporting.

Importantly the Framework will assist with the retention of corporate knowledge and consistency across financial years in the accounting treatment and disclosure applied to services and events undertaken by the Authority.

As detailed below it is important to note that the Framework does not, and will not abdicate from any applicable legislative or regulatory requirements (including for applicable Australian Accounting Standards where applicable). The Policy is intended to further enhance the governance structure surrounding the management and reporting of the Authority's budget activities, which are detailed in *the East Waste Charter, Local Government Act 1999 S.123* and the Local Government (Financial Management) Regulations 2011.

Background

The East Waste Charter and specifically Sections 51-55, set out the Annual requirements for the Development of an Annual Plan and Budget. In summary:

- The Authority must, each financial year have an Annual Plan which supports and informs the budget;
- The Draft Annual Plan must be provided to Constituent Councils and consented to by an absolute majority of Constituent Councils before 31 May each year;
- The Authority must advise Constituent Councils of the proposed fees for the following Financial Year by April 1 of the preceding financial year.

The budget must also comply with the standards and principles prescribed by the *Local Government Act 1999* and applicable Regulations. The budget shall include budgeted financial statements, which must be presented, in a manner consistent with the Model Financial Statements.

Definitions

Common Fleet Costing Charge	The charge to each Member Council which represents all direct and administrative costs associated with the delivery of waste collection, fleet maintenance, waste management administration, education & promotions activities, regulatory compliance and funding debt servicing obligations related to common fleet plant & equipment related activities. The actual charge is apportioned based on the Common Fleet Percentage of the Member Council.
Common Fleet Percentage	<p>Calculated from GPS data collected from each East Waste Fleet Truck. The Common Fleet Percentage (CFP) is the portion of time taken to undertake the 5 core services (household kerbside collections (waste, recycling & organics), street & reserve litter bins and hard rubbish) for each Member Council. This is represented as a percentage of the total time and is used as a basis for the Common Fleet Costing Charge.</p> <p>CFP data is reviewed and updated each month. Revised CFP allocations are applied to Common Fleet Cost charges annually or when significant variations occur (eg. new service added or new Council enters).</p>
Constituent Council Share	As detailed in S.57 of the <i>East Waste Charter</i> , all Member Councils hold an equal equitable ownership interest share in East Waste.
Corporate Administration Fee	Refer to latter section titled <i>Corporate Administration Fee</i> for explanation.
Local Government Price Index	The Local Government Price Index (LGPI) measures price movements faced by Local Government in South Australia in respect of their purchases of goods and services. As the mix of goods and services purchased by Local Councils/Regional Subsidiaries is quite different from that typically consumed by households, overall price movements faced by Local Councils may differ markedly from those faced by households.
Member Councils	Also known as Constituent Councils, are those Councils which are referred to in <i>Section 1</i> of the <i>East Waste Charter</i> .
Model Financial Statements	Refers to the Model Financial Statements described in Regulation 4(3) of the <i>Local Government (Financial Management) Regulations 2011</i> .
Proposed Fees	The indicative Common Fleet Costing Charge, Corporate Administration Fee, waste and processing fees (where applicable) and any other charges which the Authority intends to charge Member Councils in the subsequent Financial Year.

Return on Revenue	Calculated as being the total Net surplus generated on common fleet costing fees charged to Constituent Councils for common fleet waste collections activities provided.
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Preparation Schedule

The following timetable is to be annually applied in the development of the Annual Budget:

Month	Activity
November:	Review Budget Framework Policy if required
December/January:	Develop Draft Annual Plan
January:	Draft Annual Budget developed
February:	Board consideration and endorsement of Draft Annual Plan & Budget
March:	Draft Annual Plan & Budget sent to Member Councils for consideration
April/May:	Member Council endorsement of Draft Annual Plan
June:	East Waste Board adoption of Annual Plan & Budget
June/July:	Member Councils formally notified of Fees and provided endorsed copy of Annual Plan.

Budget Reviews

Legislation requires a budget update at least twice per year and a mid-year budget review. East Waste will present to the Audit & Risk Management Committee and Ordinary Board Meeting (and subsequently Member Councils), quarterly budget reviews at the meetings immediately following the following period ended:

- 30 September;
- 31 December; and
- 31 March

Preparation and presentation of budget information will be consistent with the Board's requested demands to ensure users are provided with the necessary information to discharge their duties and Member Council reporting requirements. Budget work papers will also ensure to comply with any reporting legislative requirements relating to the presentation and timing of budget revisions conducted, whilst at the same time acknowledging and protecting the financial integrity of East Waste operating in a commercially competitive environment

Financial Targets

1. Operating Result: 1 - 2% Return on Revenue (based on Common Fleet Costing Charge).
2. Working capital requirements: retention of cash reserves equal to funding one quarter of estimated operational expenses requirements (including loan repayments).
3. Authority to maintain a \$1m bank overdraft facility for emergency purposes only.
4. The Authority shall remain in a positive Net Asset/Equity position at all times.
5. The Authority is to ensure it complies with the principles contained within the adopted Treasury Management Policy when considering the development and revision of the budget.

Principles

The following Principles underpin the Budget Development and budget review process.

1. Projected operating income is set to ensure sufficient funds are raised to meet all financial obligations (operating and capital) for the relevant financial year, taking into account the activities listed in the draft Annual Plan.
2. All expenditure decisions will align with the East Waste 10 year Strategic Plan.
3. Zero-based budget approach is to be adopted for the development of the annual budget in order to ensure each activity allocation remains relevant for the coming year.
4. A full cost recovery model to be employed for all services and activities. Budgets will be based on meeting agreed service levels or program activity commitments.
5. The Budget is to be established and reported upon according to the following four (4) key Business Units:

Common Fleet Costing: Represents all direct and Administrative costs associated with the Delivery of waste collection, fleet maintenance, waste management administration, education & promotions activities, regulatory compliance activities and funding debt servicing obligations related to common fleet plant & equipment (across 5 streams). Charged in accordance with common fleet allocation.

Bin Maintenance Activities: A cost recovery service charged to each individual Council for services directly associated with bin renewal, replacement and maintenance.

Waste Disposal Activities: A cost recovery activity against each individual Council for disposal costs incurred. Occurs only where the Member Council is not invoiced directly.

Corporate Administration: A set Administrative Fee charged equally amongst Member Councils (further detail below), along with ancillary income (interest, grants, asset sales etc).

6. Loans will be used to fund long term asset creation and not to fund or support recurrent service delivery.
7. Vehicle Capital Expenditure is to be funded solely via external loan borrowings. An annual review of this principle is to be confirmed through budget adoption process.
8. Capitalisation threshold for all assets to be set for items that cost greater than \$3,000;
9. Term of loan borrowings to be taken over a period equal to the expected useful life of the asset or for items with an indefinite life, a period as determined by the Board.
10. Assets depreciation is to be set over the expected life of the assets in accordance with Australian Accounting Standards (AASB) 116 Property, Plant and Equipment. Residual values will be applied to assets where there is an estimated 'salvage or trade-in' value for the asset at the end of its expected useful life.
11. The Corporate Administration Fee, along with the Common Fleet Costing charge for the five key services (kerbside collection, hard rubbish and street and reserve litter bins), to Member Councils is to be processed quarterly in advance based on the adopted Fees and Charges. All other charges to Member Councils are for reimbursement of costs incurred by the Authority which are invoiced at the end of the month incurred, following reconciliation. All invoices issued to Member Councils have payment terms of 30 days payable from the date of the invoice issued.
12. The Common Fleet costing Charge is determined based on the usage of the previous financial year. Where there is a new service or incomplete data (ie. the service was not undertaken for a full 12 months), an evidence-based approach will be used to calculate the Common Fleet percentage.
13. Where applicable the provision of non-core services to non-member Councils are to include a margin which reflects the risk, asset renewal and fair and reasonable administrative charges incurred.

Corporate Administration Fee

East Waste operates on a full cost recovery model for all services and activities. This is either direct recovery (eg. disposal and processing fees) or via the common fleet percentage (eg. collection fees and maintenance costs). The exception is the Corporate Administration Fee which is split equally (Constituent Council Share) across Member Councils.

For the 2019/20 budget process, the established base Administration Fee of \$225,000 is to be applied. For future years, the Administration Fee is to be annually increased by the Local Government Price Index (LGPI), or the annual average percentage movement in the Common Fleet Costing Charge, whichever is greater. The Corporate Administrative Fee is to be reviewed through each Annual Budget process.

END.

7.3: TREASURY MANAGEMENT PERFORMANCE REPORT

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

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."*

This Agenda Item was tabled before the Committee at their November 2019 meeting, which resulted in some further refinement of the Performance Report being undertaken by East Waste Executive to satisfy the requirements of the Policy and Committee. This Report is now re-tabled for consideration of the Committee.

The Committee will note in the Report the reference to the loan application currently being considered by the Local Government Finance Authority (LGFA). This loan amount relates to the purchase of five (5) new collection vehicles in accordance with the recently endorsed three (3) year Supply Agreement. The Committee will note the fixed interest rate of 2.55% being applied to the eight (8) year loan.

Noting the very competitive interest rate being applied, East Waste Executive will undertake a review of current fixed rate borrowings to ascertain whether there would be any financial benefit to breaking some current loans and re-borrowing at the lower interest rate.

Recommendation

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



Policy:	Treasury Management
Responsibility for Review:	General Manager
Relevant Legislation:	<i>Local Government Act 1999</i>
Relevant Documents:	East Waste Charter
Policy Superseded by this policy on its Adoption:	N/A
Adoption Authority:	East Waste Board
Date of Adoption:	
Minute Reference for Adoption:	
Next Review:	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.

**TREASURY MANAGEMENT PERFORMANCE REPORT
AS AT 5 FEBRUARY 2020**

Borrowings as at 5 February 2020									
Loan #	Settlement	Original Principal	Rate	Term	Repayment Amount	Repayment Date (Biannual)		Principal balance 31 Jan 2020	Maturity Date
2	Feb-2010	\$ 873,000.00	6.85%	10 Years	\$ 61,009.11	19-Aug	19-Feb	\$ 58,988.77	19/02/2020
5	Jun-2013	\$ 378,804.00	4.90%	7 Years	\$ 32,289.47	17-Dec	17-Jun	\$ 31,517.29	17/06/2020
6	Jan-2014	\$ 2,013,491.00	5.35%	7 Years	\$ 174,321.41	15-Jul	15-Jan	\$ 335,136.37	15/01/2021
7	Jan-2015	\$ 1,743,400.00	4.25%	7 Years	\$ 145,278.21	15-Jul	15-Jan	\$ 551,506.01	15/01/2022
8	Jul-2016	\$ 1,926,190.00	3.75%	7 Years	\$ 157,710.74	15-Jul	15-Jan	\$ 1,025,624.79	15/07/2023
9	Oct-2016	\$ 281,743.00	3.50%	7 Years	\$ 22,865.03	17-Oct	17-Apr	\$ 169,316.72	17/10/2023
10	Jul-2017	\$ 1,646,244.00	3.85%	7 Years	\$ 135,266.26	17-Jul	17-Jan	\$ 1,108,037.78	17/07/2024
11	Sep-2017	\$ 325,369.00	4.00%	7 Years	\$ 26,876.12	15-Sep	15-Mar	\$ 241,417.04	15/09/2024
12	Nov-2018	\$ 1,813,771.00	4.00%	7 Years	\$ 149,821.06	15-Mar	15-May	\$ 1,584,408.81	15/11/2025
TOTAL								\$ 5,105,953.58	

Matured Loans YTD									
3	Sep-2012	\$ 1,631,705.00	4.95%	7 Years	\$ 139,328.81	17-Sep	17-Mar	Nil	17/09/2019
4	Dec-2012	\$ 1,626,650.00	4.80%	7 Years	\$ 138,176.06	17-Dec	17-Jun	Nil	17/12/2019

Borrowings FY2020				
Loan #		Principal	Rate	Status
13	Feb-2020	\$ 2,170,966.00	2.55%	In Progress

Investments as at 5 February 2020						
Date of Investment	Amount	Rate	Term	Maturity date	Interest Earned	Status
27/08/2019	\$ 800,000.00	1.25%	90 days	25/11/2019	\$ 2,520.55	Matured
1/11/2019	\$ 1,500,000.00	1.05%	90 days	3/02/2020	\$ 4,056.16	Matured
1/11/2019	\$ 500,000.00	0.90%	60 days	6/01/2020	\$ 813.70	Matured
					\$ 7,390.41	

7.4: 2019 RISK EVALUATION SUMMARY & ACTION PLAN

REPORT AUTHOR: Manager, Corporate Services
ATTACHMENTS: A: 2019 Risk Evaluation Summary Report
B: WHS & Risk Action Plans

Purpose of the Report

To provide the Audit and Risk Management Committee (the Committee) with the outcome and subsequent action plan of the 2019 Risk Evaluation undertaken by the Local Government Association.

Background

East Waste holds membership with the Local Government Association Worker's Compensation Scheme (LGAWCS) under the classification of self-insured employer. This class of membership requires the LGAWCS to undertake an audit of East Waste's Work, Health & Safety (WHS), Injury Management (IM) and Risk Management systems every two years.

An audit of East Waste's systems and processes was undertaken by the LGAWCS in late November 2019 and the evaluation report is provided at Attachment A.

Report

In relation to the WHS and IM Audit, East Waste has again achieved a high level of conformance, thus ensuring a 100% rebate amount will be applied to East Waste for the 2019-20 Financial Year. The only non-conformance received is detailed at section 3.8.5 on page 23 of Attachment A. This non-conformance will be addressed as per the attached WHS Action Plan (see Attachment B). Detailed results of the WHS and IM Audits can be found from page 19 through to page 27 of Attachment A.

With respect to the Risk Management Evaluation, the assessment criteria differs from that of the WHS and IM Audit and does not attract a rebate consideration based on a high level of compliance. The intent of the Risk Management evaluation is to ensure minimum standards set for the Local Government sector have been met. As per table 2 at page 5 of Attachment A, the Committee will note that East Waste met 80% of the criteria assessed.

The criteria not yet met have been captured within the Risk Management action plan provided at Attachment B. Whilst East Waste executive accept the criteria not met outcomes, some disappointment was expressed to the auditors regarding the records management system non-compliance affecting East Waste's Risk Management approach and the fact that the audit criteria are clearly aligned to a Council's operations rather than being tailored for a Regional Subsidiary. Regardless, East Waste accepts the outcomes and will be addressed as per the action plan.

An important take away from the audit is best summarised at paragraph 7 of the Conclusion found at page 28 of Attachment A, which states:

"Whilst it may appear that there are a number of actions to follow up on, we also recognise that significant system build has occurred and that continuous improvement is occurring; providing that East Waste continue to maintain this level of development and improvement, the system should mature and progress to a compliant level."

Action Plan progress reports will be provided the Committee at their scheduled meetings.

Recommendation

That the Committee:

- 1. Receive and note the findings of the Local Government Association Worker's Compensation Scheme 2019 Risk Evaluation as presented in Attachment A.**
- 2. Note and support the Action Plan(s) to address outstanding conformance matters identified in the 2019 Risk Evaluation.**



2019 Risk Evaluation Summary Report

Eastern Waste Management Authority

Date of Evaluation: 21 – 22 November 2019

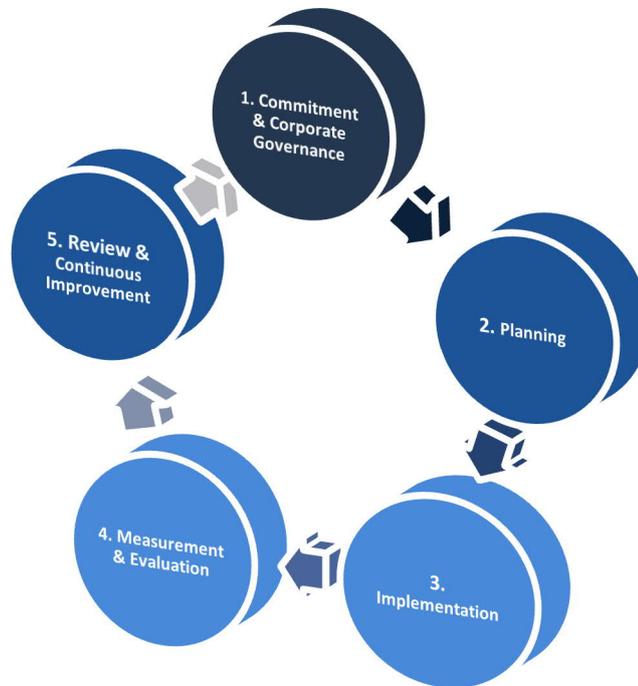
Date Report Issued: 19/12/2019

Name of Evaluators:

Vicky Smith (Lead Evaluator-Work Health & Safety)

Jo Calliss (Risk & Injury Management)

1. Risk Evaluation Overview



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

The Risk Evaluation in its current format was introduced in 2017. More information is available on the LGRS Member Centre regarding the structure and process.

This summary report is structured as follows:

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



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2. Executive Summary

Overview and Objective:

Every two years, the Local Government Mutual Liability and Workers Compensation Schemes conduct an evaluation of each Scheme Member's Risk Management, Work Health and Safety and Injury Management systems. The purpose of this evaluation is to test, (within the scope of the evaluation):

- a) How well the organisation's Risk Management systems meet Local Government sector established baselines and
- b) The organisation's level of conformance with ReturnToWorkSA's Performance Standards for Self-Insurers for Work Health and Safety and Injury Management systems.

Members should use this information in their management planning and review systems to drive further improvement to their Risk, Safety and Injury Management systems.

In addition to this, the evaluations allow for sector-wide results to be collated and analysed to enable the Schemes to further assist the Local Government industry, either via sector wide programs or individual programs of targeted support.

This executive summary provides a brief overview of the results of the risk evaluation of East Waste on 22-23rd November 2019. The participation of Member representatives in the evaluation is a critical part of the evaluation process, is integral to the quality of the evaluation and is always greatly appreciated.

Executive management are encouraged to review the evaluation summary report in its entirety for further detail and recommendations.

The completed risk evaluation, WHS and IM tools that support these findings are available from your allocated WHSC. The tools and reports are also available in your Member documents on the Members Centre.

2.1 SUMMARY OF FINDINGS:

2.1.1 Risk Management

Within the risk management systems, there are three mandatory areas and five electives of which Scheme Members are required to choose two to be evaluated.

In evaluating the organisation's Risk Management systems, reference was made to sector baselines, being a minimum standard expected to be in place. Sector baselines were established by a consultative group that included membership from both metropolitan and regional Scheme Members. It is to be noted that the baselines are not all legislative requirements, but a set of minimum requirements that is expected within the Local Government sector. All the criteria within the defined sector baseline must be met in order for the sector baseline to be deemed as being met.

East Waste's results against the mandatory and elective question sets are as follows:

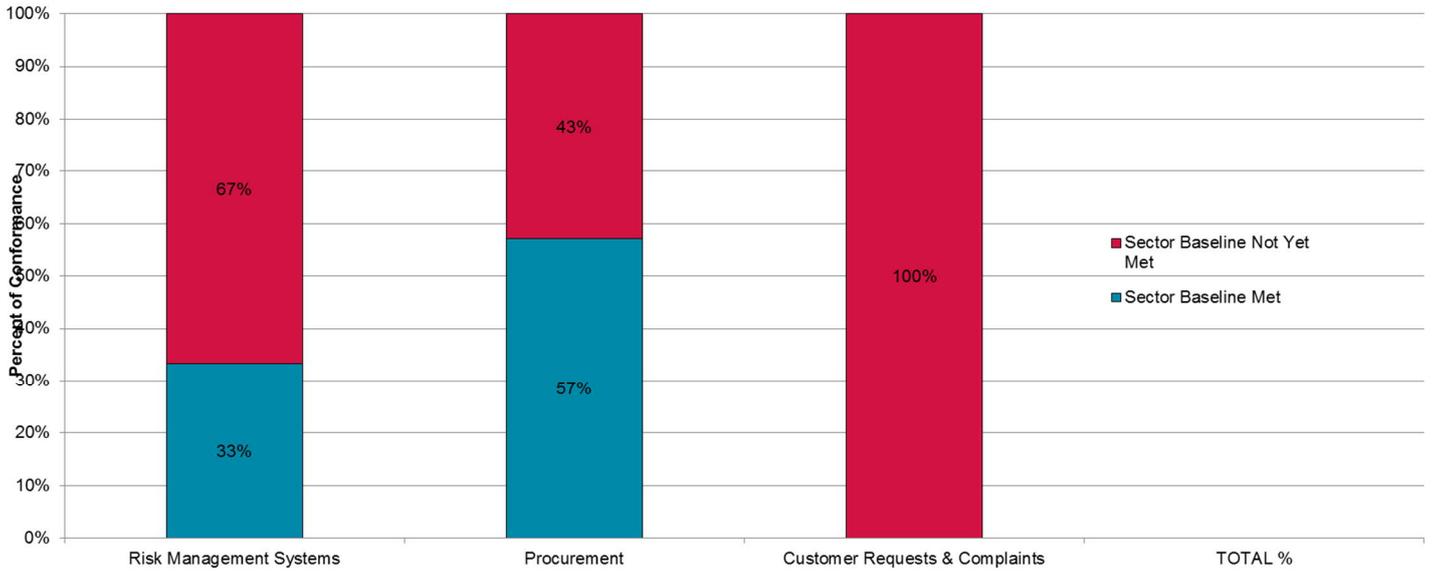
Topics	Total Number of Sector Baselines Evaluated	Sector Baseline Met	Sector Baseline Not Yet Met
MANDATORY AREAS			
Risk Management Systems	3	1	2
Procurement	7	4	3
ELECTIVE			
Customer Requests & Complaints	1	0	1
TOTALS	11	5	6
TOTAL %		45%	55%

Breaking this down into individual elements within each question set, however, provides a better snapshot of East Waste's progress within each category:

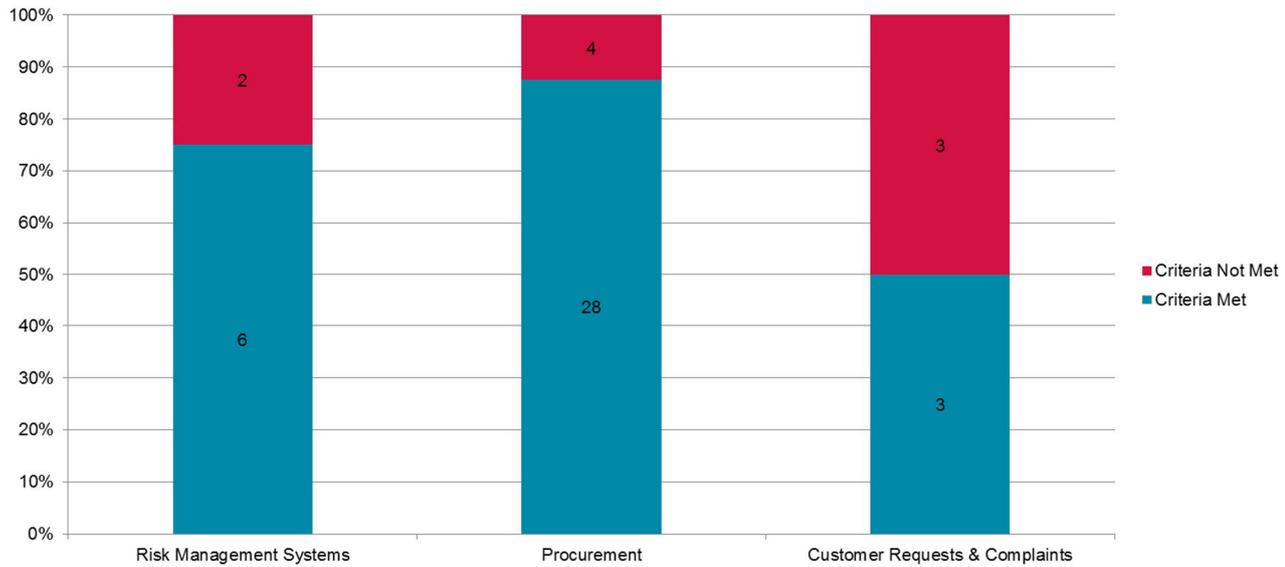
Topics	Total Number of Criteria Evaluated	Criteria Met	Criteria Not Met
MANDATORY AREAS			
Risk Management Systems	8	6	2
Procurement	32	28	4
ELECTIVE			
Customer Requests & Complaints	6	3	3
TOTALS	46	37	9
TOTAL %		80%	20%



Risk Evaluation Performance by Sector Baseline

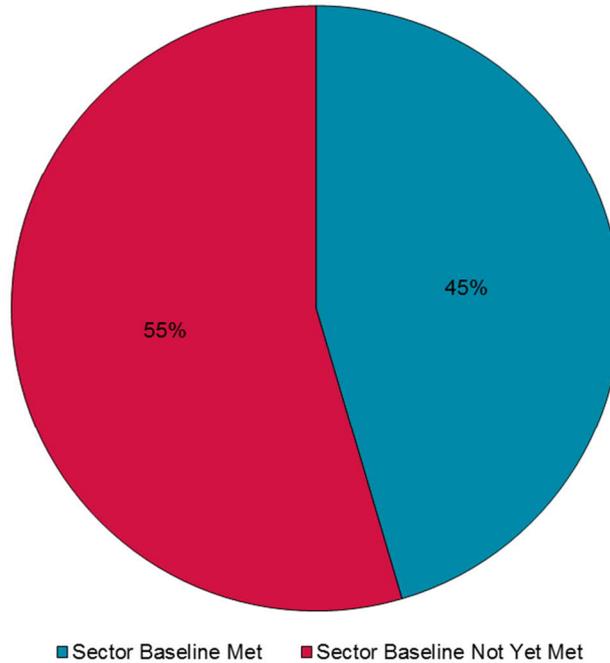


Risk Evaluation Performance by Criteria

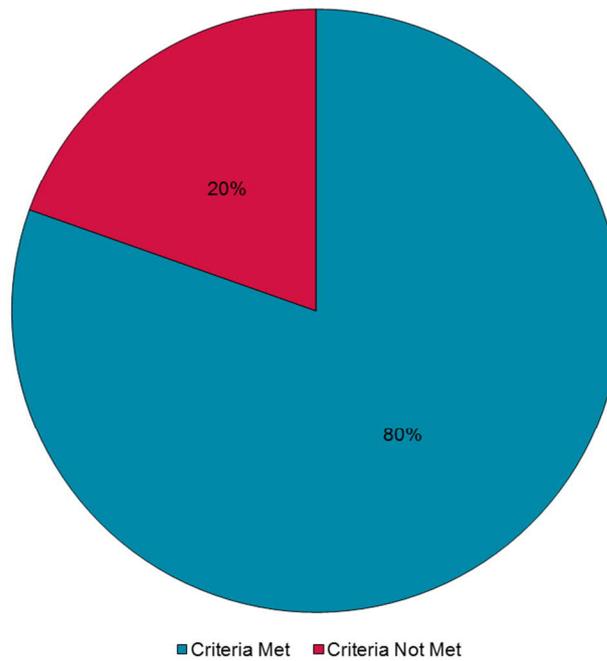




Overall Risk Evaluation Performance



Overall Risk Evaluation Criteria Results



2.1.1.1 Risk Management Systems

Overview of Results – Mandatory Areas - Risk Management Systems

Topics	Total Number of Sector Baselines Evaluated	Sector Baseline Met	Sector Baseline Not Yet Met
MANDATORY AREAS			
Risk Management Systems	3	1	2

Specific Results and Improvement areas – Risk Management Systems

Q #	Risk Management Systems	Summary of Sector Baselines not met and any improvement required	Recommendation
1a	What does The organisation's Risk Management (RM) approach consist of?	<p>Sector baseline not yet met</p> <p>East Waste has a Risk Management Policy & Risk Management Framework, which are aligned with AS/NZS ISO:31000 2009 and clearly articulate the organisation's risk criteria along with the process to identify, analyse, evaluate, treat and monitor risks and roles and responsibilities relating to risk.</p> <p>Corporate records are stored on a network drive, but not aligned to GDS20/40; Finance & Executive Administration Officer is in process of identifying suitable provider to ensure compliance.</p>	<p>Review the requirements of the current general disposal schedule (GDS) for local government records and implement a structured records management system.</p> <p>Note: the current documentation references AS/NZS ISO 31000:2009; this was updated in 2019, so should be captured in future reviews.</p>
1b	Does The organisation have a risk register or a tool/repository where risks are actively monitored and maintained on a periodic basis as per their documented approach?	<p>Sector baseline met</p> <p>East Waste has risk registers relating to:</p> <ul style="list-style-type: none"> - Strategic - Commercial - Business/Operations <p>These were reviewed in September 2019.</p> <p>The risk registers are used as a reference point for decision making throughout the year.</p>	
1c	Is The organisation's above risk management approach implemented and operational?	<p>Sector baseline not yet met</p> <p>Whilst responsibilities for development & maintenance of risk management systems are defined within position descriptions, there was no evidence training in the risk management policy or framework had been provided to those listed as having responsibilities for managing risk.</p>	<p>Develop & implement a structured training program to inform board members, the audit committee and staff of their responsibilities relating to management of risk.</p>



2.1.1.2 Procurement and Contracts

Overview of Results – Procurement and Contracts

Topics	Total Number of Sector Baselines Evaluated	Sector Baseline Met	Sector Baseline Not Yet Met
MANDATORY AREAS			
Procurement and Contracts	7	4	3

Specific Results and Improvement areas – Procurement and Contracts

Q #	Procurement and Contracts	Sector Baseline and Summary of any improvement required	Recommendation
3a	Are there policies, and procedures prepared and adopted for the procurement process, including approach to the market, evaluation of responses and selection of providers?	<p>Sector baseline met</p> <p>East Waste has a procurement policy which references, and is supported by, the Schedule of Sub-Delegations.</p> <p>There is a Sale of Land and Other Assets Policy.</p> <p>Both policies satisfy the criteria for sector baseline to be met.</p> <p>Note: East Waste does not have a prudential management policy, however prudential reviews are undertaken, as member councils require them for high risk/high value contracts.</p>	Develop & implement a prudential management policy.
3b	Are there systems in place to identify risks as part of the procurement/ purchasing process?	<p>Sector baseline met</p> <p>There is evidence that risk is considered throughout the procurement process; verified by reviewing:</p> <ul style="list-style-type: none"> - Probity & Evaluation Plans - Recyclables Contract Review Risk Analysis which considered generic risks as well as risk relating to each tender response received; - RFT Evaluation Reports - Prudential Report for Receipt & Processing of Recyclables, which includes a comprehensive risk analysis <p>I was also able to verify that WHS & risk considerations are made for smaller procurements.</p>	
3c	Is there evidence that the procurement process is transparent and in accordance with applicable organisation's procurement policy/operational guidance/procedures	<p>Sector baseline met</p> <p>Verified by reference to tender documentation & probity & evaluation plans that outline process and criteria, which are being adhered to.</p>	
3d	Have staff who have delegated roles and/or are responsible for procurement and/or contracts been provided with appropriate training?	<p>Sector baseline met</p> <p>Position descriptions document procurement responsibilities& this is supported by training in procedural requirements and delegations.</p>	



Q #	Procurement and Contracts	Sector Baseline and Summary of any improvement required	Recommendation
3e	Does The organisation have a process in place to justify the rationale behind, and approval of, variations from standard indemnity, insurance, legal liability and contractor incident notification clauses?	<p>Sector baseline not yet met</p> <p>The probity and procurement plan provides guidance around negotiation. Other than emails, there is no formal recording of negotiations entered into, or the rationale.</p> <p>Although clause 9.7 of the conditions of contract requires the contractor to report any occurrence that may result in a claim to The organisation, it does not specifically require RTW claims to be reported.</p>	<p>Develop & maintain negotiation log for all contracts (to document reasons for requesting/accepting changes to standard terms & conditions &/or commercial arrangements.</p> <p>Amend contract clause re: incident notification to include injuries to workers.</p>
3f	Is there evidence of the rationale in 3e being applied during the procurement process including when calling for tenders and developing/writing contracts?	<p>Sector baseline not yet met</p> <p>Whilst there is evidence that executed contracts include appropriate indemnity, insurance and notification clauses, works/purchase orders are issued without terms and conditions, which exposes East Waste to potential disputes.</p>	<p>Options to consider are either generating conditions on the back of work order issued from accounting software or putting the conditions on the website & referring to them on the face of the order.</p>
3g	<p>Are there processes in place to administer the contract and manage supplier performance during and after the contract?</p> <p>Note: The criteria in this section are checking to see that there is evidence that these things are actually occurring</p>	<p>Sector baseline not yet met</p> <p>Whilst review meetings & handover occur in practice, I was unable to view evidence, (e.g. checklist, handover documentation) that this is recorded.</p> <p>There is evidence that monitoring of key milestones and contractor incidents occur, there is no formal process to review quality/performance at the conclusion of a contract.</p>	<p>Develop a process, (e.g. checklist) to be completed prior to handover & final payment of invoices for the acquisition of plant, equipment or other major purchases.</p> <p>Develop a process for evaluating & recording performance criteria at the conclusion of a contract. (This may be by reference to original selection criteria or other performance metrics relating to the work undertaken.)</p>

2.1.1.3 Elective Topic – Customer Requests & Complaints

Topics	Total Number of Sector Baselines Evaluated	Sector Baseline Met	Sector Baseline Not Yet Met
Customer Requests & Complaints	1	0	1

Specific Results and Improvement areas – E5 Customer Requests and Complaints

Q #	Customer Requests and Complaints	Summary of Sector Baselines not met and any improvement required	Recommendation
E5a	Does The organisation have a consistent way to manage customer requests/complaints (outside of S270)?	<p>Sector baseline not yet met</p> <p>East Waste's Charter sets out the dispute resolution process between it & a constituent Council.</p> <p>East Waste has a service level agreement with each constituent council, which states "escalated Complaints forwarded to East Waste by Council will be investigated within 24 hours by relevant East Waste staff, and a response issued to Council within that same timeframe."</p> <p>There is, however, no customer complaints policy/service charter that defines who will handle customer complaints, prioritisation/ resolution timeframes, how outcomes of requests or complaints are communicated, and what the customer should do if they disagree with the outcome.</p> <p>There is currently no documented, (or publicly available,) process that sets out the customer request or complaint process.</p>	<p>Develop a customer complaints policy, procedure or service charter that defines the customer request/complaints process.</p> <p>Provide an overview or copy of the customer complaints policy or service charter on East Waste's website together with the process to be followed to lodge a request/complaint & and what to do if the outcome is unacceptable.</p>
E5b	Does The organisation have a documented system for lodging and responding to S270 complaints?	<p>This element was not evaluated for Section 42 or 43 subsidiaries in 2019 as the questions need review to capture the unique functions & relationships of subsidiaries.</p> <p>It should be noted however that Chapter 13 of the LG Act - Review of local government acts, decisions and operations does apply to East Waste, as a subsidiary, in accordance with S268:</p> <p>Part 2 "The provisions of this Part extend to subsidiaries and to board members of subsidiaries as if -</p> <p>(a) a subsidiary were a council; and</p> <p>(b) a board member of a subsidiary were a member of council</p>	<p>Consider adapting, adopting & implementing the LGA's 'Internal Review of a Council Decision' model procedure.</p>
E5c	Are all staff who are required to receive, assess and respond to public requests and complaints (including Sec 270) appropriately trained and skilled, (including staff contingencies)?	<p>Note: this element was not evaluated for Section 42 or 43 subsidiaries in 2019 - see commentary above</p>	<p>As a part of the implementation of the model procedure, staff training should be considered, (for handling all types of complaints.)</p>

2.1.2 Work Health and Safety

Work Health and Safety Systems are evaluated against selected elements from ReturnToWork SA's Performance Standards for Self-Insurers (PSSI). The Performance Standards describe the WHS and IM management system requirements for self-insured organisations in South Australia. The Performance Standards are designed to provide organisations with the opportunity to demonstrate the presence of effective business management systems. The model consists of 5 inter-related standards, 23 elements and 55 sub elements.

The LGA is the group self-insurance licence holder for all Councils and Prescribed Bodies in South Australia. Self-insured employers (Councils and Prescribed Bodies) are required to design, implement and maintain WHS systems to meet the self-insurance requirements.

This year, the WHS evaluation scope continues to focus on areas identified as requiring improvement from the 2017 RTWSA evaluation and two elements from standard 4 and 5 that are focussed on monitoring, reporting, review and improvement of the WHS system.

RTWSA provides guidance in relation to the specific requirements of each sub-element and evaluators are trained in understanding and applying this guidance to determine if an organisation is conforming to the requirements. Assessment is provided in line with the published PSSI definitions for conformance, non-conformance and observation.

East Waste's results are as follows:

STANDARDS	Total Sub-Elements Evaluated	Conformance	Observation	Non-Conformance
Standard 1 – Commitment and Policy	1	1	0	0
Standard 3 – Implementation	8	5	2	1
Standard 4 – Measurement and Evaluation	1	1	0	0
Standard 5 – Management Systems Review and Improvement	1	1	0	0

Specific Results and Improvement areas – WHS Management Systems

Q #	Sub-element requirements	Summary of any identified issues and improvement required	Level of Conformance
1.2.1	Supporting policies and procedures are in place?	East Waste meet the requirements of this sub-element.	Conformance
3.2.1	A relevant Training program is in place and being implemented (relating to the TNA and subsequent plan and effective delivery thereof)	East Waste meet the requirements of this sub-element.	Conformance
3.3.2	Accountability mechanisms are being used where relevant	East Waste meet the requirements of this sub-element.	Conformance
3.7.1	The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required	East Waste meets the requirements of this sub-element.	Conformance
3.8.1	Hazard management systems including identification, evaluation and control are in place. Recommendation:	East Waste has a hazard management system which is conforming. Management to address housekeeping in the Workshop.	Observation



Q #	Sub-element requirements	Summary of any identified issues and improvement required	Level of Conformance
3.8.3	Control measures are based on the hierarchy of control process.	East Waste meets the requirements of this sub-element.	Conformance
3.8.5	Program(s) are in place to ensure an appropriate WHS consideration is given at the time of purchase, hire or lease of plant, equipment and substances. Recommendation:	The pre purchase requirements as per the Plant and Chemical Management Procedures have not been implemented. Implement the pre purchase requirements as per the Plant and Chemical Management Procedures.	Non-conformance
3.8.6	Contractor and volunteer management systems are in place to meet the organisations duty of care to all persons. Recommendation:	East Waste has a Contractor Management system that has been implemented except for recording contractor monitoring. Record contractor monitoring.	Observation
3.9.1	That the implementation of relevant inspection and testing procedures are conducted by the relevant, competent person(s).	East Waste meets the requirements of this sub-element.	Conformance
4.1.1	The organisation must ensure planned objectives, targets and performance indicators for key elements of program(s) are maintained, and monitored and reported.	East Waste meets the requirements of this sub-element.	Conformance
5.3.1	The organisation must ensure the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices.	East Waste meets the requirements of this sub-element.	Conformance

Specific details of the identified gaps are available in the WHS results table in the WHS/IM report section of this summary report.

In order to further develop systems and processes in the sub elements where observation/s and non-conformance/s have been identified, it is suggested that East Waste review the findings and recommendations and include relevant actions that address the root cause of system failures into their Risk Evaluation action plan going forward.

2.1.3 Injury Management

The ReturnToWork SA's Injury Management Standards provide a framework from which a self-insured employer's exercise of its delegated powers and discretions can be evaluated. The Code of conduct for self-insured employers states the performance of the employer or self-insured employer will be measured against the Code and Injury management standards.

This year, the evaluation scope has been limited to only those IM sub-elements that sit under the revised Code of Conduct for Self Insured Employers version 12 relevant to LGAWCS Members.

Whilst the IM Standards are measured by RTWSA at the LGAWCS level, the following sub-elements have been scoped and amended for the 2019 Risk Evaluation specifically for Scheme Members to meet their requirements in supporting the LGAWCS.

East Waste's results are as follows:

SUB-ELEMENT	Total Sub-Elements Evaluated	Conformance	Observation	Non-Conformance
Standard 1.2 - Resources	5	5	0	0
Standard 1.6- Information provided to employees	2	2	0	0
Standard 2.8 – Early Intervention, recovery and RTW	2	2	0	0
Standard 4 – Measurement, Monitoring Review	2	2	0	0

Specific Results and Improvement areas – IM Management Systems

Q #	Sub-element requirements	Summary of findings	Result
1.2.1	Documented job descriptions for all injury management personnel and where relevant management, supervisors and employees.	Sighted the following job descriptions, which contain IM/RTW responsibilities: <ul style="list-style-type: none"> - Risk & WHS Coordinator: - Manager Corporate Services: - Finance & Executive Administration Officer: - Manager Operational Services - Operations Coordinator 	Conformance
1.2.2	Ensuring injury management personnel are competent to administer their role in a reasonable manner.	East Waste's Internal RTW Coordinator (IRC) and Internal Claims Coordinator (ICC) is the Risk & WHS Coordinator. The contingency person is the Manager Corporate Services. Other personnel have also undertaken the RTW and IRC training to understand their role and act as further contingency if required, (although this is unlikely to occur.)	Conformance



1.2.3	Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load.	It would appear that resourcing is adequate, with 1 claim this year and 3 minor claims last year. IRC/ICC role takes up only a small portion of the Risk & WHS Coordinator's time.	Conformance
1.2.4	Suitability of facilities and accommodation to ensure restricted access to information, including maintaining confidentiality during interaction with injured workers and service providers	The IRC/ICC has access to a lockable cabinet to store confidential claim / return to work files in his office. The office is suitable to make confidential telephone calls.	Conformance
1.2.5	A Scheme Member is required to appoint a return to work coordinator and ensure the person appointed to this role has successfully completed relevant LGAWCS training. Where this role becomes vacant, the Scheme Member is required to re-appoint an employee within 3 months and ensure the employee(s) appointed have received relevant LGAWCS training within 3 months of the appointment being made.	Verified by reference to training records.	Conformance
1.6.1	How to report a work related injury	Verified by reference to Workplace Return to Work procedure.	Conformance
1.6.2	The process for lodging a claim for compensation	Verified by reference to Workplace Return to Work procedure.	Conformance
2.8.5	Where a worker has not returned to pre-injury employment within 6 months from date of first incapacity and is not working to their full capacity, new or other employment options are considered for the worker by the Scheme Member in conjunction with the LGAWCS.	Verified by reference to procedure, WHS Committee Minutes & Skytrust induction records.	Conformance
2.8.6	Where a Scheme Member does not provide suitable employment to a former work injured employee the Scheme Member notifies and consults with the LGAWCS.	Verified by reference to procedure, WHS Committee Minutes & Skytrust induction records.	Conformance
4.1.1	Processes are in place that monitor, measure and review the effective implementation of the injury management system and where relevant, strategies to improve performance of the injury management system are identified.	Sighted WHS Committee minutes to verify that monitoring of incidents & claims occurs & there is discussion with the group to initiate improvement strategies.	Conformance
4.1.3	The Service Standards set out in Schedule 5, Part 2 of the Return to Work Act 2014 are in place.	The LGAWCS Service Standards are located on noticeboards throughout the site.	Conformance

Specific details of the identified gaps are available in the IM results table in the WHS/IM report section of this summary report.



2.2 EXECUTIVE SUMMARY: CONCLUSION

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

The risk evaluation process gave East Waste the opportunity to showcase a number of risk management, work health and safety and injury management/return to work systems that are in place.

In relation to the Risk Management Systems, East Waste needs to focus on record keeping, (in particular compliance with the General Disposal Schedule for Local Government Records,) and rolling out a training program in the application of its Risk Management Framework.

Procurement policies and procedures are current and generally the "front end" of procurement is done well. Opportunities for improvement exist in the negotiation and contract completion phases.

Customer requests and complaints are monitored and there are service agreements with each constituent Council that drive measurement and reporting. Whilst East Waste handles a significant amount of customer requests, there is currently no service charter or policy that defines how these will be dealt with, nor is there clear, publicly available information about how to lodge a request or complaint, other than for damaged bins or missed collections.

In relation to WHS it was evident that East Waste Management are committed to improving the WHS Management System and the dedication of the Risk and WHS Coordinator has meant that East Waste are building a system of a high standard. Implementation of the Skytrust system has added workflows to assist in action closeout and improved accountability. There is still work to do in areas such as Pre Purchase and Contractor Management (monitoring), but the continuous improvement observed during this evaluation should progress East Waste to a functional system before their next evaluation.

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



3. Risk Management Report

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

3.1 Summary of the evaluation scope

The Risk Management evaluation considered the presence & degree of implementation of systems relating to:

- Risk Management Systems
- Procurement, Tenders, Contracts
- Customer Requests and Complaints

3.2 Employees and other workers involved in the evaluation process included:

- Rob Gregory, General Manager
- Shane Raymond, Manager Corporate Services
- Ian Lampre, WHS & Risk Coordinator
- Raymond Pawa, Operations Coordinator

3.3 Documentation Review

The review included reviewing policies, procedures and supporting documentation within the Council's RM, and supporting organisational systems, as provided by the Auditee prior to and during the evaluation.

Additional evidence provided after the evaluation will only be accepted as evidence for this evaluation if agreed by the evaluator or the Client (i.e. LGAWCS and LGAMLS management).

3.4 Report Findings and Recommendations

Overall findings are provided in the following table and further details, along with recommendations, are documented in the completed evaluation tool.

It should be recognised that the findings and recommendations of this report should be used by East Waste for planning and continuous improvement of its risk & corporate systems.



3.6 RM Systems Evaluation Findings

Topics	Total Number of Sector Baselines Evaluated	Sector Baseline Met	Sector Baseline Not Yet Met
MANDATORY AREAS			
Risk Management Systems	3	1	2
Procurement	7	4	3
ELECTIVE			
Customer Requests & Complaints	1	0	1
TOTALS	11	5	6
TOTAL %		45%	55%

3.7 Risk Evaluation Tool and Findings

The Risk Evaluation Tool is available via the link below:

<https://www.lgrs.com.au/documentlibrary/documentnew/index?documentId=6268&fileName=2019-20 Risk Evaluation Tool V1.0 Issued 19-12-2019 Evaluator Comments.pdf&library=59>

The completed risk evaluation tool, (which contains details of evidence sighted and evaluator's comments and rationale,) is available on the LGRS Member Centre, (in the Member Documents area.)

4. WHS/IM Management Report

4.1 Work Health and Safety

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

4.1.1 Summary of the evaluation scope

To test East Waste's WHS management system conformance against the ReturnToWorkSA (RTWSA) Code of Conduct for Self-Insured Employers and specifically nominated elements within the Performance Standards for Self-Insurers, and to provide recommendations to East Waste with regard to closing out identified non-conformances and requirements not met, with the aim of assisting members to continuously improve their WHS management systems, any required members IM processes.

4.1.2 Employees and other workers involved in the evaluation process included:

- Rob Gregory, General Manager
- Ian Lampre, WHS & Risk Coordinator
- Raymond Pawa, Operations Coordinator
- Darren Carnell Mechanic (HSR).

4.1.3 Documentation Review

The review included reviewing policies, procedures and supporting documentation within the organisation's RM, WHS and IM systems as provided by the Auditee prior to and during the evaluation.

Additional evidence provided after the evaluation will only be accepted as evidence for this evaluation if agreed by the evaluator or the Client (i.e. LGAWCS and LGAMLS management).

4.1.4 Physical Verification

Worksites visited were as below:

- Walk through of Workshop

4.1.5 Report Findings and Recommendations

Report findings and recommendations for each evaluation question are provided in the following table (in a summary format) and in the audit tool (in more depth).

Further broader system recommendations are provided in the executive overview and conclusion.

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

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



4.1.6 WHS System Evaluation Findings

East Waste's results are as follows:

STANDARDS	Total Sub-Elements Evaluated	Conformance	Observation	Non-Conformance
Standard One – Commitment and Policy	1	1	0	0
Standard 3 – Implementation	8	5	2	1
Standard 4 – Measurement and Evaluation	1	1	0	0
Standard 5 – Management Systems Review and Improvement	1	1	0	0

4.1.6.1 Specific Results and Improvement areas – WHS Management Systems

Q #	Sub-element requirements	Summary of any identified issues and improvement required	Level of Conformance
1.2.1	Supporting policies and procedures are in place?	<p>East Waste has adopted the LGA WHS and RTW policy next review 4/6/21.</p> <p>East Waste has adapted the one system policies and procedures to East Waste work practices. The policies and procedures are stored in Skytrust and a notification is sent re review date to WHS and Risk Coordinator and General Manager. All WHS policies and procedures are current. The UVR and Inclement Weather has been adapted to include Fire Danger Days.</p> <p>East Waste has specific procedures relevant to their industry, i.e. Fatigue Management.</p> <p>East Waste also has task risk assessments, safe operating procedure, plant risk assessments, chemical risk assessments and safe work instructions.</p>	Conformance



3.2.1	A relevant Training program is in place and being implemented (relating to the TNA and subsequent plan and effective delivery thereof)	<p>East Waste TNA has been migrated to Skytrust, WHS and Risk Coordinator demonstrated how the TNA operates that is each job title documents what competencies are required. The TNA details what has been completed and what is outstanding, a notification is sent to the Risk and WHS Coordinator and relevant Manager.</p> <p>The Training Calendar in Skytrust details what training has occurred and what training is planned. It shows what training has expired and a notification is sent to the Risk and WHS Coordinator and relevant Manager. Training attendance and non-attendance is reported at the WHS Committee. Sighted training that had been missed and had then been undertaken.</p> <p>East Waste has developed a large amount of competencies for their policies, procedures, SOPs and SWI.</p>	Conformance
3.3.2	Accountability mechanisms are being used where relevant	<p>East Waste had several examples of their accountability mechanisms.</p> <p>The Risk and WHS Coordinator demonstrated how the corrective actions register works. Each action is allocated a close out date and if that date is exceeded a notification is sent to the Risk and WHS Coordinator, relevant Manager and the General Manger.</p> <p>Corrective actions are monitored at the WHS Committee sighted minutes from 8th November item 6.2.</p> <p>Sighted the Employees bonus incentive scheme register, there were several breaches recorded, these drivers will not receive the bonus.</p> <p>There have also been Workers who employment have been terminate due to safety breaches.</p> <p>All actions in the WHS Plan with Programs, Risk Evaluation Plan have been closed out.</p>	Conformance
3.7.1	The organisation must ensure contingency plans are periodically tested and/or evaluated to ensure an adequate response, if required	<p>East Waste has an established EPC which includes Emergency Wardens. The EPC has a term of reference next review 9/11/2022. The EPC meets every 6 months.</p> <p>Emergency drills are scheduled through Skytrust.</p> <p>Emergency Diagrams and Signage have been recently reviewed by LGRS and by Safety Fire Electrical and were all deemed to be correct and in date.</p> <p>The Work Place Evacuation Plan was recently review and several changes made, the review was discussed at the EPC meeting held on the 8th November 2019 and at the WHS Committee.</p>	Conformance



<p>3.8.1</p>	<p>Hazard management systems including identification, evaluation and control are in place.</p> <p>Recommendation:</p>	<p>East Waste has a Hazard Register (excel spread sheet) March 2019 last reviewed.</p> <p>East Waste also has a hazardous road register (excel spread sheet) which is being migrated into Waste Track 2 a vehicle monitoring system which also monitors fatigue. The system will advise the Driver which roads are hazardous.</p> <p>There are task risk assessment for: Replacement and Repairs 12/3/2019 Interview with Darren Carnell Leading Mechanic (HSR). Chemical Audit of East Waste via ChemAlert was undertaken in November 2019 by Darren Carnell Leading Mechanic (HSR) this included stock take, removal of unused chemicals, elimination of all red chemicals. A chemical risk assessment was undertaken for each chemical.</p> <p>East Waste does not require a Dangerous goods license. East Waste does not require a Manifest.</p> <p><u>NHVR</u></p> <p>East Waste has implemented the NHVR e.g. Fatigue Management system, Weights on Vehicles, education/training for staff.</p> <p>Walk Through of Workshop identified:</p> <ul style="list-style-type: none"> • Pedestal Drill with guard removed • Housekeeping required papers on ground etc. • Fire Blanket Removed from signage • Lead that had exposed wires • Leads laying across workshop • Spills e.g. coolant, oil • Gas bottle no chained <p>Kitchen equipment in contaminated area.</p> <p>Suggest East Waste Management address housekeeping in Workshop.</p>	<p>Observation</p>
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3.8.3	<p>Control measures are based on the hierarchy of control process.</p> <p>Recommendation:</p>	<p>East Waste have included the HoC in their documentation e.g. task risk assessment, chemical risk assessments etc.</p> <p>A hazardous activity was identified that is collecting bins from a street were the truck had to reverse up the street, after a risk assessment was undertaken the task was deemed to be hazardous, East Waste will no longer undertake this task, (elimination).</p> <p>Trucks not being able to access bins due to parked cars, East Waste request Council implement yellow lines to stop cars parking which makes it safer for drivers (engineering) to access bins.</p> <p>East Waste are only purchasing Collection Vehicles that have the following features:</p> <p>Anti-Roll a Way break system ,if any Driver leaves their seat or opens the door the Vehicle brake system will automatically apply the brake;</p> <p>Reverse Smart Brake system which beeps if you are getting to close to an object/person and the Vehicle will also stop.</p> <p>The Mechanics no longer are required to get inside the Hopper to service the Vehicle eg Packrams are serviced externally.</p> <p>East Waste have implemented a Fatigue Management System e.g. Procedure, monitoring system, education.</p> <p>Suggest the HoC is included in pre purchase of Plant, Equipment and Hazardous Chemical.</p>	Conformance
3.8.5	<p>Program(s) are in place to ensure an appropriate WHS consideration is given at the time of purchase, hire or lease of plant, equipment and substances.</p> <p>Recommendation:</p>	<p>East Waste have purchased an Electric Garbage Truck.</p> <p>The tender specification for the Collection Vehicle (Garbage Trucks) included WHS requirements.</p> <p>New tender for the supplier of Tyres, consultation at the WHS Committee 8th November 2019.</p> <p>The contractor management information is already in Skytrust.</p> <p>Interview with Ray Pawa Operations Coordinator</p> <p>Re new Electrical Compactus</p> <p>No pre purchase checklist available or risk assessment.</p> <p>Chemical pre purchase is not being undertaken.</p> <p>Suggest the pre purchase of Plant, Equipment and Hazardous Chemicals be implemented as per the Plant Procedure.</p>	Non-conformance
3.8.6	<p>Contractor and volunteer management systems are in place to meet the organisations duty of care to all persons.</p> <p>Recommendation:</p>	<p>Visitors are signed in, given a Visitors badge and accompanied by a staff member.</p> <p>East Waste has 10 contractors e.g. Beaurepairs (Tyers), SuperiorPAK, Recruitco.</p> <p>There is a preferred contractor's register which is stored in Skytrust the register contains license etc. notifications are sent to Risk and WHS Coordinator re License renewal.</p> <p>Monitoring is occurring however is not always being recorded.</p> <p>Suggest using the Contractor monitoring tool in Skytrust. East Waste to record Contractor monitoring as per the requirement of the Contractor Management Procedure.</p>	Observation



3.9.1	That the implementation of relevant inspection and testing procedures are conducted by the relevant, competent person(s).	<p>East Waste has a compliance register in Skytrust which details which plant and equipment need testing, tagging and inspection.</p> <p>Risk and WHS Coordinator demonstrated the compliance register, sighted Diesel Tank and Bowser inspection 18/9/2019, Eye Wash and Safety Shower inspection 28/11/2019 (weekly), Over Head Gantry inspection 30/9/2019.</p> <p>Workplace Inspection are undertaken via Skytrust, a notification is sent to Risk and WHS Coordinator and relevant Manager if inspection is not undertaken as scheduled. All inspections are in date Workshop/ Wash Bay and Yard completed 13/11/2019.</p>	Conformance
4.1.1	The organisation must ensure planned objectives, targets and performance indicators for key elements of program(s) are maintained, and monitored and reported.	Program objectives, targets and performance Indicators are maintained, monitored and report at the WHS Management System review and the WHS Committee.	Conformance
5.3.1	The organisation must ensure the system is reviewed and revised, if required, in line with current legislation, the workplace and work practices.	<p>It was evident throughout the evaluation that East Waste WHS Management system is being reviewed and revised in line with legislation e.g.</p> <ul style="list-style-type: none"> • All procedures up to date • Work Place Evacuation Plan review • Task risk assessment review • Revised TNA in Skytrust <p>WHS Management System Review</p>	Conformance

The WHS Risk Evaluation Tool is available via the link below:

<https://www.lgrs.com.au/documentlibrary/documentnew/index?documentId=6269&fileName=2019-20 Risk Evaluation WHS-IM V1.0 Issued 19-12-2019 Evaluator Comments.pdf&library=59>

Specific details of the identified gaps are available in the WHS Risk Evaluation Tool, which is available in the Member Documents area of the LGRS Member Centre.

In order to further develop systems and processes in the sub elements where observation/s and non-conformance/s have been identified, it is suggested that East Waste review the findings and recommendations and include relevant actions that address the root cause of system failures into their Risk Evaluation action plan going forward.



4.2 Injury Management

The ReturnToWork SA's Injury Management Standards provide a framework from which a self-insured employer's exercise of its delegated powers and discretions can be evaluated. The Code of conduct for self-insured employers states the performance of the employer or self-insured employer will be measured against the Code and Injury management standards.

This year, the evaluation scope has been limited to only those IM sub-elements that sit under the revised Code of Conduct for Self-Insured Employers version 12 relevant to LGAWCS Members.

Whilst the IM Standards are measured by RTWSA at the LGAWCS level, the following sub-elements have been scoped and amended for the 2017 Risk Evaluation specifically for Scheme Members to meet their requirements in supporting the LGAWCS.

East Waste's results are as follows:

SUB-ELEMENT	Total Sub-Elements Evaluated	Conformance	Observation	Non-Conformance
Standard 1.2 - Resources	5	5	0	0
Standard 1.6- Information provided to employees	2	2	0	0
Standard 2.8 – Early Intervention, recovery and RTW	2	2	0	0
Standard 4 – Measurement, Monitoring Review	2	2	0	0

4.2.1 Specific Results and Improvement areas – IM Management Systems

Q #	Sub-element requirements	Summary of findings	Result
1.2.1	Documented job descriptions for all injury management personnel and where relevant management, supervisors and employees.	<p>Sighted the following job descriptions, which contain IM/RTW as listed:</p> <p>Risk & WHS Coordinator:</p> <ul style="list-style-type: none"> Assist in the administration of Return-to-Work programs; Manage all claims relating to accidents, near misses and workplace injury; <p>Manager Corporate Services:</p> <ul style="list-style-type: none"> Lead the Authority's Return to Work Claim process in conjunction with Manager, Operational Services; <p>Finance & Executive Administration Officer:</p> <ul style="list-style-type: none"> Ensure full compliance with East Waste's Work, Health & Safety & Injury Management policies, procedures & instructions, specifically taking action on all points of the worker's responsibility as outlined in East Waste's WHS & IM Policy. <p>Manager Operational Services</p> <ul style="list-style-type: none"> Lead the Authority's Return to Work Claim process in conjunction with Manager, Corporate Services; <p>Operations Coordinator</p> <ul style="list-style-type: none"> Ensure full compliance with East Waste's Work, Health and Safety & Injury Management (WHS&IM) policies, procedures and instructions, specifically taking action on all points of the worker's responsibility as outlined in East Waste's WHS&IM Policy. 	Conformance
1.2.2	Ensuring injury management personnel are competent to administer their role in a reasonable manner.	<p>East Waste's Internal RTW Coordinator (IRC) and Internal Claims Coordinator (ICC) is the Risk & WHS Coordinator.</p> <p>The contingency person is the Manager Corporate Services.</p> <p>Three other staff have also undertaken the RTW and IRC training to understand their roles and would be able to act as further contingency if required.</p>	Conformance
1.2.3	Ensuring the allocation of resources is appropriate for the organisations type, volume and complexity of the case load.	<p>It would appear that resourcing is adequate, with 1 claim this year and 3 minor claims last year. There is currently 1 open claim, (being determined.) ICC role takes up only a small portion of the Risk & WHS Coordinator's time.</p>	Conformance
1.2.4	Suitability of facilities and accommodation to ensure restricted access to information, including maintaining confidentiality during interaction with injured workers and service providers	<p>The assigned IRC / ICC has access to a lockable cabinet to store confidential claim / return to work files in his office. The office is suitable to make confidential telephone calls.</p>	Conformance



1.2.5	A Scheme Member is required to appoint a return to work coordinator and ensure the person appointed to this role has successfully completed relevant LGAWCS training. Where this role becomes vacant, the Scheme Member is required to re-appoint an employee within 3 months and ensure the employee(s) appointed have received relevant LGAWCS training within 3 months of the appointment being made.	Verified by reference to training records.	Conformance
1.6.1	How to report a work related injury	Verified that Section 4 of Workplace Return to Work procedure contains how to report a work related injury.	Conformance
1.6.2	The process for lodging a claim for compensation	Verified that Section 5 of Workplace Return to Work procedure contains the process for lodging a claim for compensation.	Conformance
2.8.5	Where a worker has not returned to pre-injury employment within 6 months from date of first incapacity and is not working to their full capacity, new or other employment options are considered for the worker by the Scheme Member in conjunction with the LGAWCS.	Verified by reference to procedure, WHS Committee Minutes & Skytrust induction records.	Conformance
2.8.6	Where a Scheme Member does not provide suitable employment to a former work injured employee the Scheme Member notifies and consults with the LGAWCS.	Verified by reference to procedure, WHS Committee Minutes & Skytrust induction records.	Conformance
4.1.1	Processes are in place that monitor, measure and review the effective implementation of the injury management system and where relevant, strategies to improve performance of the injury management system are identified.	Sighted WHS Committee minutes to verify that monitoring of incidents & claims occurs & discussion with the group. Improvement strategies to improve awareness and reduce hazards have been graphs on incident types provided to WHS meeting displayed on notice boards, root cause analysis, implementation of low telephone & tree pruning register & new/modified SWIs (e.g. bee stings)	Conformance
4.1.3	The Service Standards set out in Schedule 5, Part 2 of the Return to Work Act 2014 are in place.	The LGAWCS Service Standards are located on noticeboards sighted, (administration, operations, lunch room, transportable – photographic evidence obtained.	Conformance

The Risk Evaluation Tool is available via the link below:

https://www.lgrs.com.au/documentlibrary/documentnew/index?documentId=6269&fileName=2019-20_Risk_Evaluation_WHS-IM_V1.0_Issued_19-12-2019_Evaluator_Comments.pdf&library=59

Specific details are available in the WHS Risk Evaluation Tool, which is located in the Member Documents section on the LGRS Member Centre.



5. Conclusion

We would like to again thank those involved in the preparation and conduct of East Waste's Evaluation.

The risk evaluation process gave East Waste the opportunity to showcase a number of risk management, work health and safety and injury management/return to work systems that are in place as well as work in progress.

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

The risk evaluation process requires the provision of evidence two weeks prior to the site component to enable sufficient time for review before on site audit activities commence. We were grateful that the evidence was submitted in a timely manner, as it allows us to add value whilst on site.

In relation to the risk management systems, it is suggested that East Waste consider the suggestions provided in relation to the implementation of their Risk Management System as well as the commentary provided in the Procurement & Customer Requests/Complaints areas. This should form the basis for the Risk Action Plan over the coming two years.

As previously stated in the Executive Summary, East Waste's WHS Management System has improved extensively over the last two years. The continuous Implementation of the Skytrust system will added improved accountability. However there is still work to do in areas such as Pre-Purchase and Contractor Management (monitoring.)

Whilst it may appear that there are a number of actions to follow up on, we also recognise that significant system build has occurred and that continuous improvement is occurring; providing that East Waste continue to maintain this level of development and improvement, the system should mature and progress to a compliant level.

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

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



Contact

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The JLT Group is a part of the Marsh & McLennan Companies (MMC) group of companies.

This information is not intended to be detailed advice on the operations of the Schemes. Each Scheme is covered by a set of Rules and Guidelines, which are available on the LGRS Member Centre.

If you have any questions on the operation of the Schemes please contact your LGRS client services manager.

www.lgrs.com.au



East Waste 2019-21 WHS Evaluation Action Plan Report

Version No: 1.0
 Issued: Dec-19
 Next Review: Dec-21

Dated	East Waste	Monitoring Report for the month of: March	Name, Date and Version No of approved Plan	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
30/12/2019																													
<i>Please note: The close out date for the completion of 2019-2021 actions is 30th September 2021.</i>				Proposed	1	0	1	3	4	1	1	1	2	4	2	1													21
				Actual	0	0	0	0	0	0	0	0	0	0	0	0													0
				Proposed YTD	1	1	2	5	9	10	11	12	14	18	20	21													21
				Actual YTD	0	0	0	0	0	0	0	0	0	0	0	0													0
					0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%													0%	

Evaluation Score	Sub-Element or Procedural Reference	Due	Evaluation Finding / reason	Action Agreed	Progress/Evidence	Responsible Person	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21		
Observation	3.3.1		Management to address housekeeping in the Workshop.	Workshop to be counselled on the importance of maintaining a clean workshop.	Completed	Manager of Operational Services	P																										
				Workshop housekeeping to be monitored through workshop inspections (structured & random).	Completed	Manager of Operational Services			P																								
				Workshop personnel to be held responsible for failing to follow housekeeping requirements if required.	Completed	General Manager				P																							
				Report Progress of corrective actions to executive management team.											P																		
Non-Conformance	3.8.5		Implement the pre purchase requirements as per the Plant and Chemical Management Procedures.	Pre-purchase check list to be developed to ensure appropriate WHS consideration is given at the time of purchase, hire and lease of plant, equipment or substances.	March - sooner rather than later	Risk & WHS Coordinator				P																							
				Pre- Purchase check list to be review and adopted by the WHS Committee	As above	WHS Committee					P																						
				Training Program to be developed for all staff on the implemented changes which will include pre check lists and chemical training.	As above	Risk & WHS Coordinator						P																					
				Training program to be approved by the WHS Committee for the implemented changes.	As above	WHS Committee							P																				
				Training to be rolled out to relevant staff / workers.	As above	Risk & WHS Coordinator								P																			
Observation	3.8.6	Record contractor monitoring.		Contractor Monitoring Document to be developed.	Sep-20	Risk & WHS Coordinator										P																	
				Contractor Monitoring Document to be reviewed and adopted		WHS Committee											P																
				Training Program to be developed for key staff on the implemented changes		Risk & WHS Coordinator												P															
				Training program to be approved by the WHS Committee for the implemented changes.		WHS Committee													P														
				Training to be rolled out to relevant staff / workers.		Risk & WHS Coordinator														P													
				Contractor Monitoring to be added to the Skytrust inspection list		Risk & WHS Coordinator															P												
	4.2.1			Review Internal Audit Procedure						P																							
				Develop Internal Implementation Plan											P																		
				Train Internal Auditor							P																						
				Develop Internal Audit schedule based on risk							P																						
				Develop Internal Audit tools via Skytrust							P																						
				Undertake Internal Audit as per Schedule											P																		
				Develop Power Point presentation, collate system information e.g. injury statistics, incident statistics, legislative change etc																													
	5.3.1			Review Plan and Programs																													
				Deliver WHS system review to Management																													
				Consult on draft plan with relevant staff.																													

Dated	East Waste	Monitoring Report for the month of: March	Name, Date and Version No of approved Plan	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Total
30/12/2019				0	0	0	4	6	5	5	4	7	11	7	5														54
				0	0	0	0	0	0	0	0	0	0	0	0														0
				0	0	0	4	10	15	20	24	31	42	49	54														54
				0	0	0	0	0	0	0	0	0	0	0	0														0
				#DIV/0!	#DIV/0!	#DIV/0!	0%	0%	0%	0%	0%	0%	0%	0%	0%														0%

Please note: The close out date for the completion of 2019-2021 actions is 30th September 2021.

Evaluation Score	Sub-Element or Procedural Reference	Due	Evaluation Finding / recommendation	Action Agreed	Progress/Evidence	Responsible Person	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21					
Non-Conformance	1a		Review the requirements of the current general disposal schedule (GDS) for local government records and implement a structured records management system. Note: the current documentation references AS/NZS ISO 31000:2009; this was updated in 2019, so should be captured in future reviews	Review East Waste's current records keepings management system and identify the gaps compared to the AS/NZS ISO 31000:2009 (GDS)	KV to confirm coconsultant timeframe	Finance & Executive Administration Officer					P																									
				Review consultant report and develop implementation plan	KV to confirm coconsultant timeframe	Finance & Executive Administration Officer							P																							
				Make operational changes to meet the AS/NZS ISO 31000:2009 (GDS). (detail to be provided once report received)		Executive Management Team										P																				
				Training Program to be developed for all staff on the implemented changes		Risk & WHS Coordinator														P																
				Training program to be approved by **** for the implemented changes.		General Manager																P														
				Training to be rolled out to relevant staff / workers.		Risk & WHS Coordinator																								P						
Non-Conformance	1c		Develop & implement a structured training program to inform board members, the audit committee and staff of their responsibilities relating to management of risk.	Risk Management Policy to be developed		Manager of Corporate services			P																											
				Risk Management Policy to be reviewed by Executive Management team.		Executive Management Team			P																											
				Risk Management Policy to be presented and reviewed by the board		General Manager				P																										
				Adopted changes to be implemented		Manager of Corporate Services					P																									
				Training Program to be developed for all staff on the implemented changes		Risk & WHS Coordinator											P																			
				Training program to be approved by **** for the implemented changes.		General Manager																	P													
				Training to be rolled out to relevant staff / workers.		Risk & WHS Coordinator																		P												
				Risk Management Frame work to be reviewed.		Manager of Corporate Services			P																											
				Risk Management Frame work changes to be developed		Manager of Corporate Services				P																										
				Reviewed frame work to be presented and reviewed by the Executive Management team.		Executive Management Team					P																									
				Risk Management Frame work to be presented and reviewed by the board		General Manager																														
				Adopt changes to be implemented		Manager of Corporate Services																														
				Training Program to be developed for all staff on the implemented changes		Risk & WHS Coordinator																														
				Training program to be approved by **** for the implemented changes.		General Manager																														
				Training to be rolled out to relevant staff / workers.		Risk & WHS Coordinator																														
				Training Gap analysis to be developed for all board members and audit committee members.	Requirements Timeline to be included in report to board	Risk & WHS Coordinator																														
				Recommended training to be approved		Risk & WHS Coordinator																														
Sector baseline met	3a		Develop & implement a prudential management policy.	Prudential Management Policy to be developed	April/June Board Meeting	Manager of Corporate Services					P																									
				Prudential Management Policy to be reviewed by Executive Management team.		Executive Management Team						P																								
				Prudential Management Policy to be presented and reviewed by the board		General Manager							P																							
				Adopt changes to be implemented		Manager of Corporate Services																														
				Training Program to be developed for all staff on the implemented changes		Risk & WHS Coordinator																														
				Training program to be approved by **** for the implemented changes.		General Manager																														
				Training to be rolled out to relevant staff / workers.		Risk & WHS Coordinator																														
Non-Conformance	3e		Develop & maintain negotiation log for all contracts (to document reasons for requesting/accepting changes to standard terms & conditions &/or commercial arrangements. Amend contract clause re. incident notification to include injuries to workers	Negotiation log to be developed		May-20 Manager of Corporate Services						P																								

