



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

**TUESDAY 21 FEBRUARY 2024**

Notice is hereby given that a meeting of the Audit and Risk Management Committee of the Eastern Waste Management Authority will be held in the **Boardroom, Dean Newberry and Partners, 214 Melbourne Street , North Adelaide**, on Wednesday 21 February 2024, commencing at 8:00am.

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

**ROB GREGORY  
GENERAL MANAGER**

### **Acknowledgement of Country**

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

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

## EASTERN WASTE MANAGEMENT AUTHORITY

### AGENDA

### AUDIT AND RISK MANAGEMENT COMMITTEE

Meeting to be held on Wednesday 21 February 2024  
commencing at 8:00am, in the Boardroom, Dean Newberry and Partners,  
214 Melbourne Street, North Adelaide

1. **PRESENT**
2. **ACKNOWLEDGEMENT OF COUNTRY**
3. **APOLOGIES**
4. **CONFLICTS OF INTEREST**
5. **CONFIRMATION OF THE MINUTES:**
  - 5.1 *MEETING HELD 14 NOVEMBER 2023* .....pg. 3
6. **MATTERS ARISING FROM THE MINUTES**
7. **QUESTIONS WITHOUT NOTICE**
8. **PRESENTATIONS**
  - 8.1 *LGFA INTRO & PRODUCT OVERVIEW (Local Government Finance Authority)*
  - 8.2 *REVIEW OF EAST WASTE BORROWINGS & ADMINISTRATION FEE (Dean Newberry & Partners & East Waste)*
9. **REPORTS**
  - 9.1 *FINANCIAL REPORT – FY24 BUDGET REVIEW TWO* .....pg. 8
  - 9.2 *DRAFT 2024/25 ANNUAL PLAN & BUDGET*.....pg. 16
  - 9.3 *RISK MANAGEMENT POLICY AND STRATEGIC RISK REGISTER*.....pg. 39
  - 9.4 *INDEPENDENT COMMITTEE MEMBER APPOINTMENT* .....pg. 48
  - 9.5 *INDEPENDENT BOARD CHAIR REAPPOINTMENT*.....pg. 56
  - 9.6 *REVIEW OF BULLYING AND HARASSMENT POLICY* .....pg. 58
  - 9.7 *ANNUAL REPORTING CALENDAR* .....pg. 64
10. **CONFIDENTIAL REPORTS**
  - 10.1 *EXTERNAL AUDITOR CONTRACT*.....pg. 66
  - 10.2 *EAST WASTE BUSINESS OPERATIONS CENTRE CONSIDERATIONS*.....pg. 73
11. **OTHER BUSINESS**

**12. NEXT MEETING OF THE COMMITTEE**

The next Audit and Risk Management Committee Meeting is to be held on:  
Tuesday 23 April 2024, commencing 8:00am, in the Boardroom, Thomson Geer, 7/19  
Gouger Street, Adelaide.

**13. CLOSURE OF MEETING**



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

held on Tuesday 14 November 2023 in the Boardroom, Thomson Geer,  
7/19 Gouger Street, Adelaide

Meeting opened at 8:09am

**1. ACKNOWLEDGEMENT OF COUNTRY**

**2. PRESENT**

Mrs E Hinchey	Independent Member/Chair
Mr F Bell	Independent Board Chair
Mr P Di Iulio	Board Member
Ms S Di Blasio	Independent Member
Ms L Green	Independent Member

**IN ATTENDANCE**

Mr J Jovicevic	Dean Newbery
Mr R Gregory	General Manager
Mr D Maywald	Manager Business Services
Ms K Vandermoer	Coordinator Finance & Strategic Projects
Ms P Foy	Executive Administration Officer

**3. APOLOGIES**

Nil.

**4. CONFLICTS OF INTEREST**

Nil.

**5. CONFIRMATION OF THE MINUTES – 12 September 2023**

Moved Ms Green that the Minutes of the previous meeting held on  
Tuesday 12 September 2023 be received and noted.

Seconded Ms Di Blasio

**Carried**

**6. MATTERS ARISING FROM THE MINUTES**

Nil.

**7. QUESTIONS WITHOUT NOTICE**

Nil.

## **8. PRESENTATIONS**

### **8.1 FOGO TRIAL UPDATE**

Presentation by Mr Gregory, General Manager, East Waste

### **8.2 REPORTING OVERVIEW**

Presentation by Mr Maywald, Manager, Business Services, East Waste

## **9. REPORTS**

### **9.1 FINANCIAL STATEMENTS: BUDGET REVIEW ONE**

Moved Mr Bell that the Committee notes and accepts the forecasted end of year FY2024 result associated with the 2023/24 Budget Review One and recommends to the Board for endorsement.

Seconded Mr Di Iulio

**Carried**

*Mr Jovicevic left the meeting at 8:46am*

### **9.2 TREASURY MANAGEMENT PERFORMANCE REPORT**

Moved Ms Green that the Committee recommends that the 2024 Annual Treasury Management Performance Report as presented in Attachment A, is presented to the East Waste Board for endorsement.

Seconded Ms Di Blasio

**Carried**

### **9.3 BULLYING AND HARASSMENT POLICY**

Moved Mr Bell that the Committee notes and recommends the revised Bullying & Harassment Policy as presented in Attachment A, for presentation to the East Waste Board.

Seconded Ms Di Blasio

**Carried**

### **9.4 NATIONAL COMPETITION POLICY STATEMENT**

Moved Ms Green that the Committee notes the National Competition Policy Statement as presented in Attachment A and recommends for presentation to the East Waste Board.

Seconded Ms Di Blasio

**Carried**

### **9.5 POLICY REVIEW SCHEDULE**

Moved Mr Bell that the Committee notes and receives the Report and the Policy Register, as presented in Attachment A.

Seconded Ms Di Blasio

**Carried**

## **9.6 2024 PROPOSED MEETING SCHEDULE**

Moved Ms Green that the Committee receives and notes the report and recommends for presentation to the East Waste Board.

Seconded Ms Di Blasio

**Carried**

## **9.7 ANNUAL REPORTING CALENDAR**

Moved Ms Di Blasio that the Committee notes the East Waste Annual Reporting Calendar, as presented in Attachment A.

Seconded Mr Bell

**Carried**

## **10. CONFIDENTIAL REPORTS**

Nil.

## **11. OTHER BUSINESS**

### **11.1 CHAIR REAPPOINTMENT**

Mr Gregory provided a verbal update.

## **12. NEXT MEETING OF THE AUDIT AND RISK MANAGEMENT COMMITTEE**

The next Audit and Risk Management Committee Meeting is to be held on: Wednesday 21 February 2024, commencing 8:00am, in the Boardroom, Thomson Geer, 7/19 Gouger Street, Adelaide.

## **12. CLOSURE OF MEETING**

There being no other business the meeting closed at 9:08am

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

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## 9.1: FINANCIAL REPORT – FY24 BUDGET REVIEW TWO

**REPORT AUTHOR:** General Manager

**ATTACHMENTS:** A: Summary Budget Movement – Budget Review 2  
B: Budgeted Statement of Comprehensive Income FY2023  
C: Budgeted Balance Sheet FY2023  
D: Budgeted Statement of Cash Flow FY2023  
E: Budgeted Statement of Changes in Equity FY2023  
F: Budgeted Uniform Presentation of Finances Statement FY2023

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### **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 2024 as prescribed by the Regulations.

### **Background**

At the meeting held 22 June 2023, the East Waste Board resolved (in part):

#### **9.1 ANNUAL PLAN AND BUDGET ENDORSEMENT**

*Moved Mr Dilella that the Board:*

- 1. Endorses the 2023/24 Annual Business Plan and Budget as amended in Attachment A, inclusive of all projects and expenditure.*

*Seconded Cr Clutterham*

***Carried***

### **Report**

A total of \$280k of budget movements since Budget Review 1, forecasts an end of year loss of \$111K. There are a number of movements impacting on this with the key ones being:

- Adopted budget variation for the Operations Attraction and Retention Program, resulting in an increase to the Wages and Salaries expense line.
- Increase of \$150K to Fleet Maintenance as a result of a number of significant and unplanned Truck maintenance requirements. This includes:
  - Engine rebuild & Diesel Particulate Filter replacement - \$42K;
  - Body repairs, valve bank & hydraulic tank repairs - \$35K;
  - Engine Replacement (second hand unit) - \$30K;
  - Cracked chassis - \$26K;
  - Transmission service exchange & Power take off unit replacement - \$17K; and
  - Actuator and slide replacement - \$11K.
- Increase of 40K in interest due to loan repayment in June 2024 not initially accounted for (as previously advised this is due to delayed loan settlements). This somewhat offset by an interest increase.
- Decreases of 90K in depreciation following adjustment for delayed fleet delivery.



Separate to these, fuel pricing through the first six (6) months of the financial year remains favourable against budget, although at this point no adjustments have been made. There is some concern around the extent of current rising fuel prices and this will be assessed and reconciled at Budget Review 3 when a clearer assessment of the total year can be made.

### **RECOMMENDATION**

#### **The Committee:**

- 1. Notes and accepts the forecasted end of year FY2024 result associated with the 2023/24 Budget Review Two and recommends to the Board for endorsement.**

# ITEM 9.1 - ATTACHMENT A

## EAST WASTE

### Summary Budget Movement Worksheet

for the Financial Year Ending 30 June 2024

	Actual YTD - 31 December 2023	Adopted Budget	BR1	Proposed BR2	Actual YTD / Proposed BR2	Proposed Budget Movement	Comments
Administration Fee	138,560	277,119	277,119	277,119	50%	-	
Common Fleet Costing	8,356,298	16,712,597	16,712,597	16,712,597	50%	-	
Processing Income	2,813,298	5,757,171	5,757,171	5,757,171	49%	-	
Bin Services & Maintenance	960,207	1,310,575	1,310,575	1,360,575	71%	50,000	
Profit / (Loss) from Disposal	12,500	18,000	18,000	60,000	21%	42,000	
Grant Income	-	50,000	50,000	50,000	0%	-	
Other Income	33,996	31,228	36,228	66,228	51%	30,000	
<b>Total</b>	<b>12,314,858</b>	<b>24,156,690</b>	<b>24,161,690</b>	<b>24,283,690</b>		<b>122,000</b>	
Processing Expenses	2,813,458	5,757,171	5,757,171	5,757,171	49%	-	
Bin Service & Maintenance Expenses	971,165	1,310,575	1,310,575	1,360,575	71%	50,000	
Employee Costs	3,967,687	7,674,925	7,674,925	7,884,925	50%	210,000	
Fleet Maintenance	1,097,742	1,742,780	1,742,780	1,892,780	58%	150,000	
Depreciation	1,225,734	2,657,404	2,657,404	2,566,000	48%	(91,404)	Updated to account for delay in delivery of new trucks. Expect new trucks to come in March 2024.
Interest	200,776	384,000	384,000	430,000	47%	46,000	Updated to account for LGFA Loan Facilities 19 & 20 for timing of repayments, interest rates and carry forward loan balances from FY23.
Fuel	1,011,420	2,608,485	2,608,485	2,597,485	39%	(11,000)	
Other Expenses	911,991	1,855,879	1,855,879	1,905,879	48%	50,000	
<b>Total</b>	<b>12,199,973</b>	<b>23,991,219</b>	<b>23,991,219</b>	<b>24,394,815</b>		<b>403,596</b>	
<b>Net Surplus</b>	<b>114,885</b>	<b>165,471</b>	<b>170,471</b>	<b>(111,125)</b>		<b>(281,596)</b>	
<b>Non Operating Cash Flow</b>	<b>Actual YTD - 31 December 2023</b>	<b>Adopted Budget</b>	<b>BR1</b>	<b>Proposed BR2</b>	<b>Actual YTD / Proposed BR2</b>	<b>Proposed Budget Movement</b>	
<b>Income</b>							
Proceeds from Sale of Assets	-	50,000	50,000	80,000	0%	30,000	Updated to account for expected \$20K sale proceed per truck (originally \$10K).
Proceeds from the Sale of Motor Vehicles	12,500	-	-	12,500	100%	12,500	
Proceeds from Borrowings	1,377,219	2,115,000	2,115,000	2,115,000	65%	-	
<b>Total</b>	<b>1,389,719</b>	<b>2,165,000</b>	<b>2,165,000</b>	<b>2,207,500</b>		<b>42,500</b>	
<b>Expenses</b>							
Fleet Replacement Costs	1,683,923	2,000,000	3,996,463	3,996,463	42%	-	
Motor Vehicle Replacement	36,153	40,000	40,000	40,000	90%	-	
Office Furniture & Minor Tools	-	50,000	50,000	50,000	0%	-	
Operations Office Upgrade	-	40,000	40,000	40,000	0%	-	
Plant Replacement	-	25,000	25,000	25,000	0%	-	
Repayment of Borrowings - LGFA	1,088,898	1,944,096	1,944,096	2,086,042	52%	141,946	Updated to account for LGFA Loan Facilities 19 & 20 for timing of repayments, interest rates and carry forward loan balances from FY23.
Repayment of Borrowings - Leases	66,693	285,235	285,235	285,235	23%	-	
<b>Total</b>	<b>2,875,667</b>	<b>4,384,331</b>	<b>6,380,794</b>	<b>6,522,740</b>		<b>141,946</b>	
<b>Net Non-Operating Cash Flow</b>	<b>(1,485,948)</b>	<b>(2,219,331)</b>	<b>(4,215,794)</b>	<b>(4,315,240)</b>		<b>(99,446)</b>	

# ITEM 9.1 - ATTACHMENT B

## EAST WASTE

### Projected Statement of Comprehensive Income (Budgeted)

for the Financial Year Ending 30 June 2024

FY2023		FY2024	FY2024	FY2024	FY2024
Audited		Adopted	BR1	BR2	Movement BR2
Actuals		Budget			v BR1
\$'000		\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
21,188	User Charges	22,747	22,747	22,747	-
46	Investment income	20	25	55	30
-	Grants, subsidies and contributions	50	50	50	-
1,078	Other	1,322	1,322	1,372	50
<b>22,312</b>	<b>Total</b>	<b>24,139</b>	<b>24,144</b>	<b>24,224</b>	<b>80</b>
<b>Expenses</b>					
7,476	Employee Costs	7,675	7,675	7,885	210
12,184	Materials, contracts & other expenses	13,275	13,275	13,514	239
2,108	Depreciation, amortisation & impairment	2,657	2,657	2,566	(91)
354	Finance costs	384	384	430	46
<b>22,122</b>	<b>Total</b>	<b>23,991</b>	<b>23,991</b>	<b>24,395</b>	<b>404</b>
<b>190</b>	<b>Operating Surplus / (Deficit)</b>	<b>148</b>	<b>153</b>	<b>(171)</b>	<b>(324)</b>
143	Asset disposals & fair value adjustments	18	18	60	42
<b>333</b>	<b>Net Surplus / (Deficit)</b>	<b>166</b>	<b>171</b>	<b>(111)</b>	<b>(282)</b>
-	Other Comprehensive Income	-	-	-	-
<b>333</b>	<b>Total Comprehensive Income</b>	<b>166</b>	<b>171</b>	<b>(111)</b>	<b>(282)</b>

# ITEM 9.1 - ATTACHMENT C

## EAST WASTE

### Projected Balance Sheet (Budgeted)

for the Financial Year Ending 30 June 2024

FY2023		FY2024	FY2024	FY2024	FY2024
Audited Actuals		Adopted Budget	BR1	BR2	Movement BR2 v BR1
\$'000		\$'000	\$'000	\$'000	\$'000
<b>Assets</b>					
<b>Current</b>					
3,953	Cash & Cash Equivalents	3,001	2,608	2,100	(508)
746	Trade & Other Receivables	935	746	746	-
43	Inventory	50	43	43	-
<b>4,742</b>	<b>Total</b>	<b>3,986</b>	<b>3,397</b>	<b>2,889</b>	<b>(508)</b>
<b>Non-Current</b>					
9,510	Infrastructure, Property, Plant & Equipment	10,490	10,972	11,066	94
<b>9,510</b>	<b>Total</b>	<b>10,490</b>	<b>10,972</b>	<b>11,066</b>	<b>94</b>
<b>14,252</b>	<b>Total Assets</b>	<b>14,476</b>	<b>14,369</b>	<b>13,955</b>	<b>(414)</b>
<b>Liabilities</b>					
<b>Current</b>					
1,266	Trade & Other Payables	1,311	1,216	1,216	-
2,306	Borrowings	2,200	2,355	2,355	-
871	Provisions	893	926	931	5
<b>4,443</b>	<b>Total</b>	<b>4,404</b>	<b>4,497</b>	<b>4,502</b>	<b>5</b>
<b>Non-Current</b>					
8,490	Borrowings	8,402	8,327	8,185	(142)
136	Provisions	229	191	196	5
<b>8,626</b>	<b>Total</b>	<b>8,631</b>	<b>8,518</b>	<b>8,381</b>	<b>(137)</b>
<b>13,069</b>	<b>Total Liabilities</b>	<b>13,035</b>	<b>13,015</b>	<b>12,883</b>	<b>(132)</b>
<b>1,183</b>	<b>Net Assets</b>	<b>1,441</b>	<b>1,354</b>	<b>1,072</b>	<b>(282)</b>
<b>Equity</b>					
1,183	Accumulated Surplus	1,441	1,354	1,072	(282)
<b>1,183</b>	<b>Total Equity</b>	<b>1,441</b>	<b>1,354</b>	<b>1,072</b>	<b>(282)</b>

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

for the Financial Year Ending 30 June 2024

<b>FY2023</b>		<b>FY2024</b>	<b>FY2024</b>	<b>FY2024</b>	<b>FY2024</b>
<b>Audited</b>		<b>Adopted</b>	<b>BR1</b>	<b>BR2</b>	<b>Movement</b>
<b>Actuals</b>		<b>Budget</b>			<b>BR2 v BR1</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>Cash Flows from Operating Activities</b>				
	<b>Receipts</b>				
22,455	Operating Receipts	24,069	24,069	24,119	50
46	Investment Receipts	20	25	55	30
	<b>Payments</b>				
(7,361)	Employee costs	(7,565)	(7,565)	(7,765)	(200)
(12,397)	Materials, contracts & other expenses	(13,275)	(13,275)	(13,514)	(239)
(304)	Interest Payments	(384)	(384)	(433)	(49)
<b>2,439</b>	<b>Net Cash Flows from Operating Activities</b>	<b>2,865</b>	<b>2,870</b>	<b>2,462</b>	<b>(408)</b>
	<b>Cash Flows from Investing Activities</b>				
	<b>Receipts</b>				
145	Sale of Replaced Assets	50	50	93	43
	<b>Payments</b>				
(587)	Expenditure on Renewal/Replaced Assets	(2,115)	(4,111)	(4,111)	-
(2,484)	Expenditure of New/Upgraded Assets	(40)	(40)	(40)	-
<b>(2,926)</b>	<b>Net Cash Flows from Investing Activities</b>	<b>(2,105)</b>	<b>(4,101)</b>	<b>(4,059)</b>	<b>43</b>
	<b>Cash Flow from Financing Activities</b>				
	<b>Receipts</b>				
4,525	Proceeds from Borrowings	2,115	2,115	2,115	-
	<b>Payments</b>				
(1,815)	Repayment of Lease Liabilities	(285)	(285)	(285)	-
(271)	Repayment of Borrowings	(1,944)	(1,944)	(2,086)	(142)
<b>2,439</b>	<b>Net Cash Flow from Financing Activities</b>	<b>(114)</b>	<b>(114)</b>	<b>(256)</b>	<b>(142)</b>
<b>1,952</b>	<b>Net Increase (Decrease) in cash held</b>	<b>646</b>	<b>(1,345)</b>	<b>(1,853)</b>	<b>(508)</b>
<b>2,001</b>	<b>Cash &amp; cash equivalents at beginning of period</b>	<b>2,355</b>	<b>3,953</b>	<b>3,953</b>	<b>-</b>
<b>3,953</b>	<b>Cash &amp; cash equivalents at end of period</b>	<b>3,001</b>	<b>2,608</b>	<b>2,100</b>	<b>(508)</b>

## EAST WASTE

### Projected Statement of Changes in Equity (Budgeted)

for the Financial Year Ending 30 June 2024

FY2023		FY2024	FY2024	FY2024	FY2024
Audited Actuals		Adopted Budget	BR1	BR2	Movement BR2 v BR1
\$		\$'000	\$'000	\$'000	\$'000
850	Balance at Start of Periof - 1 July	1,275	1,183	1,183	-
333	Net Surplus / (Deficit) for Year	166	171	(111)	(282)
-	Contributed Equity	-	-	-	-
-	Distribution to Councils	-	-	-	-
<b>1,183</b>	<b>Balance at End of Period - 30 June</b>	<b>1,441</b>	<b>1,354</b>	<b>1,072</b>	<b>(282)</b>

**EAST WASTE****Projected Uniform Presentation of Finances (Budgeted)**

for the Financial Year Ending 30 June 2024

<b>FY2023</b>		<b>FY2024</b>	<b>FY2024</b>	<b>FY2024</b>
<b>Audited Actuals</b>		<b>Adopted Budget</b>	<b>BR1</b>	<b>BR2</b>
<b>\$'000</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Income</b>				
21,188	<i>User Charges</i>	22,747	22,747	22,747
46	<i>Investment income</i>	20	25	55
-	<i>Grants, subsidies and contributions</i>	50	50	50
1,078	<i>Other</i>	1,322	1,322	1,372
<b>22,312</b>		<b>24,139</b>	<b>24,144</b>	<b>24,224</b>
<b>Expenses</b>				
7,476	<i>Employee Costs</i>	7,675	7,675	7,885
12,184	<i>Materials, contracts &amp; other expenses</i>	13,275	13,275	13,514
2,108	<i>Depreciation, amortisation &amp; impairment</i>	2,657	2,657	2,566
354	<i>Finance costs</i>	384	384	430
<b>22,122</b>		<b>23,991</b>	<b>23,991</b>	<b>24,395</b>
<b>190</b>	<b>Operating Surplus / (Deficit)</b>	<b>148</b>	<b>153</b>	<b>(171)</b>
<b>Net Outlays on Existing Assets</b>				
(587)	<i>Capital Expenditure on Renewal and Replacement of Existing Assets</i>	(2,115)	(4,111)	(4,111)
2,108	<i>Depreciation, Amortisation and Impairment</i>	2,657	2,657	2,566
145	<i>Proceeds from Sale of Replaced Assets</i>	50	50	93
<b>1,666</b>		<b>592</b>	<b>(1,404)</b>	<b>(1,453)</b>
<b>Net Outlays on New and Upgraded Assets</b>				
(2,484)	<i>Capital Expenditure on New and Upgraded Assets</i>	(40)	(40)	(40)
-	<i>Amounts Specifically for New and Upgraded Assets</i>	-	-	-
-	<i>Proceeds from Sale of Surplus Assets</i>	-	-	-
<b>(2,484)</b>		<b>(40)</b>	<b>(40)</b>	<b>(40)</b>
<b>(628)</b>	<b>Annual Net Impact to Financing Activities (surplus/(deficit))</b>	<b>700</b>	<b>(1,291)</b>	<b>(1,664)</b>

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## 9.2: DRAFT 2024/25 ANNUAL PLAN & BUDGET

**REPORT AUTHOR:** General Manager  
**ATTACHMENTS:** A: East Waste 2024/25 Annual Plan  
B: Draft Summary Movement Table

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### **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 2024/25 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 Budget will be presented to the Board on 23 February 2024 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. Worthy of note, the Member Councils are only required to endorse the Annual Plan, not the Budget itself (albeit the financials are incorporated into the Annual Plan).

### **Report**

#### **Draft 2024/25 Annual Plan**

The core intent of the 2024/25 Annual Plan (refer Attachment A) remains consistent with recent years, which is to progress towards the Key Performance Indicators and Vision of the 2030 Strategic Plan. Following a joint Board and Audit & Risk Workshop in November 2023 reviewing the Strategic Plan, it was determined that an in-depth review of the Strategic Plan was required and this will be undertaken over the coming 6-9 months. Notwithstanding this, East Waste overarching focus to create financial and efficiency savings, not to generate a profit to return to shareholders, underpins all decision making and programs.

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 reflecting on the feedback received through the Strategic Plan Review workshop, consultation with Member Councils, Board direction over the past 12 months, the success of weekly Organics collection trials, and the undertaking of an industry horizon scan by Administration.

It is expected that two or three Member Councils will, through their own FY25 Annual Plan and budget processes, endorse either a trial or full rollout of Weekly Organics Collections. This will add significant internal planning and consumption of physical and human resources in order to successfully deliver. As there is no confirmation from Member Councils resourcing of these trials and/or roll outs, no allowance has been included within this first iteration of the budget. Notwithstanding, the scope of innovation projects that East Waste would typically consider in a year has been scaled back to create some of the capacity needed to deliver.



### Draft 2024/25 Budget

The Draft 2024/25 Budget has been developed with reference to the following key guiding documents and assumptions which are further outlined:

- East Waste Strategic Plan 2030;
- East Waste Budget Framework Policy;
- East Waste's Long-Term Financial Plan; and
- East Waste's Fleet Asset Management Plan.

The budget has been built with a zero-based budget approach ensuring a forensic assessment of all cost centre expenditure and commitment to our efficiency and cost-effective services mantra. Key Assumptions & rationale for the key budget areas are detailed below and a draft Summary Movement Table is contained within Attachment B to assist with context.

Overall an increase of 5.6% on the proposed FY24 BR2 is required to meet the Business as Usual operational requirements. This is a less than 1% above the December 2023 annual CPI rate (4.8%) and is lower than, the projected increase within the East Waste Long Term Financial Plan (6.4%).

Following feedback from the Audit & Risk Committee, the suite of financial tables will be incorporated into the draft report and presented to the Board ready for distribution to the Member Councils.

### General

- Business as usual approach to all key activities, with a proactive approach to be taken to 'fill-in' gaps in the current service delivery model, rather than the historical passive approach. Investigation of external opportunities will remain, with higher-level, longer term partnerships to be explored.
- The Adelaide-based December Quarter annual CPI rate of 4.8% has been applied where applicable.
- Financial Target 1 of the *East Waste Budget Framework Policy* requires the application of 1% of the net Common Fleet Collection Charge to be applied and this has been included (\$0.165M).
- Operational Hours remained consistent with the previous year. A reduction in hours had been projected due to the abnormally high Spring Organics collections in 2022, however this was offset by development increases and higher presentation rates across the board.

### Waste Collection Activities

- The Budget Framework Policy requirements in relation to the Corporate Administration Fee are as follows:

*"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 December quarter LGPI is yet to be released, but historically is aligned with CPI and as such a 4.8% increase has been applied. While Administrative, for noting by the Committee, a recommendation will be made to the Board to change the naming of this equalised fee to a 'Membership Fee.'

- **Processing Fees** – The FY25 financial year marks the final year of the current With the Recycling and Organics contracts. Developing and releasing these contracts to the market presents an exciting opportunity for those Member Councils wishing to participate to drive aggregated value, enhanced

circular economy opportunities and high-level material processing and reuse opportunities. For the FY25 year, minor increases in volumes and the increased contract rates have been applied.

All processing fees result in a cost neutral approach for East Waste) as the expense of processing is recovered directly from the Member Councils. It is worthy to note that no Administration costs are directly charged to the Councils for this service, which is one of the often-overlooked benefits of being part of the East Waste subsidiary.

- **Fuel Gas and Oil** – Fuel use remains relatively stable and while fuel pricing has been more consistent over the previous six month, the ever-present threat of volatility presents concern in budgeting appropriately for the FY25 year. As the second largest single expense line a conservative approach of applying a rate marginally higher than CPI has been applied.
- **Employee Costs** – As a business reliant on labour, unsurprisingly labour is, by some margin, the largest single expense line accounting for a third of all expenses. The annual wage increases negotiated and agreed through the current active Enterprise Agreement for East Waste operators are significantly lower than the high CPI increase experienced over the past 2 years, resulting in a wage reset being required in order for East Waste to remain competitive. Negotiations for the next Enterprise Agreement are still in progress and additional increases and incentives are likely to be required in order to retain this competitiveness. Further to this, an additional full time Operator is required to cover leave and illness.

An apprentice mechanic has been included in the budget as part of a future risk mitigation strategy to retain appropriate and required resourcing within our workshop. The additional resource will also assist in negating a current WHS risk of workshop staff working alone for significant period and strain on resources through current leave coverage.

Minor increases have been applied to Customer Service and Administrative staff to account for increased workloads and hours.

- **Depreciation** – An increase in depreciation is expected as truck purchases and receipt return to historical standards. A delay in the receipt of the FY24 replacement fleet provides a saving within the current year, however, the converse impact is the higher-than-normal increase to the following year's budget. Depreciation is set to increase by almost \$0.160M.
- **Lease Interest Expense** – As a result of East Waste entering into a new lease arrangement (the details of which are still being negotiated) in the FY25 year, and the subsequent Accounting Standards (AASB 16) that needs to be applied, a year-on-year impact to this expense line of just over \$0.010M occurs.
- **Interest** - Due to the amounts and loan timings, interest expenses incur a further \$0.100M increase.

### Capital Expenditure

In line with the Fleet Replacement Plan and Long-term Financial Plan a Capital Expenditure allowance of just under \$2.2M has been made for the replacement of five (5) collection vehicles. Other (relative) minor Capital expenditure relates to the changeover of Executive Fleet and minor office and building upgrades as necessitated.

## **RECOMMENDATION**

**The Committee:**

- 1. Notes and approves the draft 2024/25 Annual Plan for presentation to the Board.**
- 2. The draft 2024/25 Draft Budget Key Assumptions are noted and supported for presentation to the Board.**
- 3. As per the presentation provided in Item 8:**
  - a. recommends that East Waste transitions to a CAD facility for the funding of Capital Purchases;  
and**
  - b. Support the renaming of the current Administration Fee to 'Membership Fee'.**

# EastWaste



## 2024/25 Annual Plan

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# VISION

## **The Destination**

To be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services.

# MISSION

## **The Vehicle**

Delivering leading-edge solutions and services for a cleaner and sustainable future.

# Executive Summary

The FY24 year has been a year of evolution for East Waste with three weekly FOGO (Food Organics, Green Organics) trials rolled out across Member Councils. The initial success and momentum more broadly of this approach, is likely to see an extension of existing, and the rollout of further trials being a core focus of East Waste in the FY25 year.

A preliminary review of the East Waste 2030 Strategic Plan has identified the need to undertake a comprehensive review of the document to raise the strategic nature and outlook of the document. This process is reflective of the evolving maturity of East Waste as an Organisation over the past decade and the trajectory we are currently on.

Other key focusses of the FY25 Annual Plan include an East Waste led co-mingled recycling, organics and landfill contracts being placed into the market throughout the FY24/25 year. Through these contracts East Waste will deliver aggregated savings to Member Councils wishing to participate and can kick start significant circular economy and higher use material resource benefits.

# Background

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, City of Unley and Town of Walkerville.

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.

Sitting above the Annual Plan is the East Waste 2030 Strategic Plan which sets out a series of bold and ambitious targets (Key Performance Indicators) which we aspire to meet through five Key Objectives and a series of Strategies. The 2030 Strategic Plan is summarised on the following page.

For full context this Plan should be read in conjunction with East Waste's broader strategic planning framework including the Strategic Plan 2030, Long-Term Financial Plan, and Risk Management Planning Framework.

As a regional subsidiary, East Waste recognises that success from this Annual Plan is not possible without the continued support, integration and active working partnership of all our Member Councils and key Strategic Partners. East Waste is committed to developing and continuing partnerships which ultimately drive value back to the communities we serve. The value East Waste offers is unique, in that we are continually working with our Member Councils to drive down costs. East Waste have established a model where we are nimble and respond swiftly to external impacts and Member Council requests, in a far more timely manner than industry counterparts. East Waste takes much of the worry and pressures associated with waste away from the Member Councils, allowing them to focus on other key matters of importance to them and their communities.



# East Waste 2030 Strategic Plan Vision, Objectives & Strategies

## VISION

To be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services to our Member Councils & their Communities.

## OBJECTIVES

1. Deliver cost-effective and efficient services facilities

2. Maximise source separation and recycling

3. Provide leading and innovative behaviour change and education

4. Help develop a local circular economy

5. Provide leadership

## STRATEGIES

- 1.1 Attract additional services and/or new councils where further economies of scale can be achieved
- 1.2 Offer a single contract for the management of the residual waste to all member councils
- 1.3 Partner with other councils and organisations to achieve greater synergies and economies of scale in service delivery
- 1.4 Investigate and implement collection technologies and innovation
- 1.5 Provide a consistently high standard of Customer Service

- 2.1 Provide more service choice and flexibility to residents on kerbside services to support them to increase their recycling levels
- 2.2 Provide a tailored 3-stream service to Multi-Unit Dwellings (MUDs) to support waste reduction and increased recycling
- 2.3 Pilot a tailored service delivery model across a business precinct(s) to support waste reduction and increased recycling

- 3.1 Engage in research and projects delivering evidence-based data which increases behaviour change decision making
- 3.2 Develop an integrated and tailored long-term community behaviour change and education program
- 3.3 Identify and trial behaviour change programs aimed at reducing contamination
- 3.4 Encourage and support councils to introduce an incentive(s) to households to reduce their landfill volumes
- 3.5 Engage schools in behaviour change & waste education

- 4.1 Support local reprocessing and procurement of recycled content products
- 4.2 Encourage and support councils to procure and use recycled content products
- 4.3 Support councils to implement sharing economy and reuse initiatives
- 4.4 Investigate options to process and extract the highest value from collected resources

- 5.1 Implement best practice safety standards
- 5.2 Advocate on behalf of our Member Councils
- 5.3 Invest in our people
- 5.4 Quality and transparent Corporate (Governance & Financial) Activities

## KPIs

We will measure our success in reaching our objectives through the following KPIs...

At least 75 percent (by weight) of total kerbside materials are separately collected and recycled by 2030

54% 60% 66% 75%

100 percent (by weight) of total food waste is separately collected and recycled by 2030

13% 40% 75% 100%

At least 60 percent (by weight) of kerbside materials from MUDs are separately collected and recycled by 2030

- 45% 50% 60%

At least 60 percent (by weight) of materials from businesses serviced are separately collected and recycled by 2030

- 45% 50% 60%

Reduce average contamination of kerbside commingled recycling stream to less than 7 percent (by weight)

12.5% <11% <9% <7%

BASELINE 2023 2027 2030

## 2024/25 Focus

While the Strategic Plan undergoes a review, East Waste will still maintain a focus and pursue progression towards the Vision and objectives of the 2030 Strategic Plan. Regardless of the future direction settled upon, it is highly likely that the current objectives will, at the very least, underpin our thinking and operational aspirations into the future.

East Waste continues to pursue innovation and be at the forefront of service delivery changes for the betterment of our Councils and the Community. East Waste exists to create financial and efficiency savings, not to generate a profit to return to shareholders. This is an important and fundamental distinction of East Waste compared to the private sector and key benefit of being within the East Waste subsidiary.

The review of the Strategic Plan is likely to result in a new suite of KPIs (Key Performance Indicators), but for now the focus and agreed actions will work towards the existing agreed group of indicators. As a partnership Organisation, East Waste requires the support and engagement with our Member Councils and external Organisations in order to work closer to them.

Objective 1: Deliver cost-effective and efficient services & facilities ensure East Waste remains true to its core function of providing high quality and fiscally efficient services to Member Councils, while at the same time seeking external opportunities which add value to the East Waste model. In addition, ensuring that we continue to have contemporary modes of engagement and facilities to deliver services is paramount.

Objective 2: Maximise Source Separation and Recycling and Objective 3: Provide leading and innovative behaviour change and education are centred on improving material efficiency, diversion from landfill and actively working towards the Key Performance Indicators listed within the 2030 Strategic Plan. The actions are also designed to help East Waste as an entity, achieve the State Government 2025 diversions targets (specifically Municipal Solid Waste and Food). Within these targets are specific actions centred around improving food waste efficiency and the preliminary result undertaken through the FY24 weekly Food Organics and Garden Organics (FOGO) trails are very promising and warrant further exploration and expansion.

Objective 4: Help Drive a Local Circular Economy, recognises that East Waste has a role to play in assisting and supporting our Members to be more engaged and active within the local circular economy space.

Objective 5: Provide Leadership, actions assist East Waste to continue to strengthen the integrity of internal systems, processes and framework and invest in our people, in order to reduce risk and improve our already high Governance levels.

The actions are far from a prescriptive list, rather the key projects East Waste intends to undertake over the 2024/25 year and more detail on each is provided below. East Waste provides unique and valuable benefits back to our Member Councils far beyond financial savings which cannot be generated through traditional waste contracts. East Waste exists to create financial and efficiency savings, not to generate a profit to return to shareholders. And East Waste achieves delivers this, whilst maintaining a high-level and high-quality service. This has been

clearly demonstrated through the weekly FOGO collection trails undertaken in the past 6 months, where the logistical approach and focus designed by East Waste, has generated a far greater uptake by the community and generated economic and environmental savings not previously realised in other trials implemented in metropolitan Adelaide. The short payback periods that East Waste have shown we can achieve are predominately driven by East Waste's focus to drive efficiency savings to our Member Councils, not profit to shareholders and to match household waste generation with the most appropriate waste collection regime.

The success of implementation of the East Waste-led FOGO trails, coupled with the preliminary results has generated significant interest and excitement amongst several other Member Councils, which is likely to lead to further requests to undertake trials and potentially full Council roll outs. It is expected that 2-3 Councils will, through their own FY25 Annual Plan and budget processes, endorse either of these approaches. This will add significant internal planning and consumption of physical and human resources in order to successfully deliver. As there is no confirmation from Member Councils resourcing of these trials and/or roll outs, no allowance has been included within this first iteration of the budget. Notwithstanding, the scope of innovation projects that East Waste would typically consider in a year has been scaled back to create some of the capacity needed to deliver.

East Waste led co-mingled recycling, organics and landfill contracts will be placed into the market throughout the FY24/25 year. Through these contracts East Waste delivers an aggregated saving to Member Councils wishing to participate and can kick start significant circular economy and higher use material resource benefits.

It is an exciting time to be a part of East Waste with the operational shifts that are occurring, the collaboration being generated from within and interest from external parties to partner. The review of the Strategic Plan will undoubtedly reflect this through a higher-level, less operational focus than it has historically been. The evolution, maturity and growth of East Waste is set to continue throughout the FY25 financial year.

This Annual Plan is to be effective from 1 July 2024.

NO.	ACTIVITY/PROJECT	OVERVIEW	OBJECTIVE	STRATEGY	MAIN KPI/TARGET	BUDGET
<b>DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES</b>						
1.	Continue & Expand Core services	East Waste optimisation will come from providing a full suite of services to Member Councils. Where this doesn't occur, East Waste will present detailed business cases for the Council's consideration in a bid to secure these services.	Deliver Cost Effective and efficient services and facilities	1.1	Vision Target	Recurrent
2.	Investigate opportunities outside of existing Member Councils.	When potential opportunities arise, East Waste will investigate service provision to non-member Councils and subsidiaries where the benefit and/or the fostering of partnerships can drive value to Member Councils.	Deliver Cost Effective and efficient services and facilities	1.1	Vision Target	Recurrent
3.	'Landfill' Bin Contract	Member Councils have historically held their own contracts for the disposal/processing of the red/blue bin. As a subsidiary focussed on aggregation, East Waste will investigate, and if feasible, pursue an East Waste-led red/blue bin processing contract.	Deliver Cost Effective and efficient services and facilities	1.2	At least 75% of kerbside material separately collected & recycled	Recurrent
4.	Increase Customer Engagement Opportunities	East Waste has implemented a number of customer service engagement systems in recent years and this work will continue with the consolidation of Customer Service Systems; ultimately creating an improved work management flow.	Deliver Cost Effective and efficient services and facilities	1.5	Vision Target	Recurrent + Service Initiative \$0.075M

## MAXIMISE SOURCE SEPARATION & RECYCLING

5.	Advance trials and rollout of weekly organics collections	Through the success of current trials undertaken by East Waste and more broadly across metropolitan Adelaide, East Waste will pursue the design and implementation of at least one further weekly organics collection trial and a full Council rollout.	Maximise Source separation and recycling	2.1	<ul style="list-style-type: none"> <li>• At least 75% of kerbside material separately collected &amp; recycled</li> <li>• 100% of food waste separately collected and recycled.</li> </ul>	Recurrent + Service Initiative \$0.085k
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• **PROVIDE LEADING AND INNOVATIVE BEHAVIOUR CHANGE AND EDUCATION**

6.	Delivery of the “Why Waste It?” behaviour change program and associated social media.	Utilising the results of the reviews and biennial kerbside audits undertaken over the past 6 years, refine and deliver the ongoing successful “Why Waste It?” program, with a strong food waste separation focus.	Provide leading and innovative behaviour change and education	3.2	• Vision Target	Recurrent + Service Initiative \$0.205M
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## HELP DRIVE A LOCAL CIRCULAR ECONOMY

7.	Develop and Procure high value processing contracts.	East Waste on behalf of engaged Member Councils will procure new long-term organic and co-mingled recycling contracts with a focus on ensuring the collected material is processed in a manner which retains and utilises the material at its highest order and so far as possible, locally.	Help Drive a Local Circular Economy	4.4	Vision Target	Recurrent
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## PROVIDE LEADERSHIP

8.	Fleet Replacement	In line with the Long-Term Financial Plan, undertake the replacement of five (5) collection vehicles.	Provide Leadership	5.4	Vision Target	Capital \$2.200M
9.	WHS System Responsibility and Accountability	Continuation of ongoing Risk Management and Work Health & Safety systems and processes to provide a safe and healthy workplace for all employees and those which interact with us.	Provide Leadership	5.1	Implement best practice safety standards	Recurrent
10.	Develop Carbon Accounting	With a strong focus on emissions and carbon reporting, East Waste will undertake a project to identify the extent of its carbon emissions and future projects to target reduction. .	Provide Leadership	5.4	Quality, transparent Corporate Activities.	Recurrent + Service Initiative \$0.025M





# Budget Management

East Waste operates its waste collection services on a Common Fleet Costing methodology, whereby each respective Member Council is charged directly according to the proportionate time it takes to undertake their respective collection services. This is achieved through the utilisation of a specialised, highly accurate and powerful cloud-based, real-time GPS based system, supported and cross-checked 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 to account for realised efficiencies, changes in the number of collections undertaken and movement in collection operating costs (e.g. housing inf-fill and developments, Fire Ban days and events).

The Tables on the following page provide a detailed summary of the key business activities undertaken by East Waste on behalf of its Member Councils. Table 1 provides a summary of the operating and capital income and expenditure elements forecasted for waste collection activities for 2024/25. Unsurprisingly the most significant expenditure relates to the logistical requirements of serving the kerbside collections across eight Councils and over 25% of Adelaide's residential population. Fleet replacement, which occurs on a cyclical annual basis, is currently funded via external loan borrowings.

As can be seen from Tables 2 and 3, one of the significant benefits of being an East Waste member is that on top of the highly competitive prices received as a result of aggregated buying power, no administrative, handling or on-costs are charged in relation to resource processing contracts held by East Waste or bin maintenance services. All are charged at-cost.

Labour, fuel costs and fleet maintenance remain the largest operation costs associated with collections (accounting for almost 80% of the common fleet costs). The labour market has been challenging over past 18 months and particularly the last six, requiring East Waste to undertake a market reset in order to attract and retain appropriate staff to carry out our service each day. This has impacted upon higher than CPI year on year increase required for FY25. Fuel has stabilised somewhat over the past 6 months, however the threat of volatility in this market is ever present.

The FY25 increase sits higher than CPI, which is unusual for East Waste, however it has less than 0.01% of a variance when compared against the East Waste Long Term Financial Plan.

The budget to deliver this Annual Plan, along with all East Waste's Services and legislative requirements is detailed in the following proposed 2024/25 Financial Papers (refer Attachment 1 – 5).

**Table 1: 2024/25 Budget Summary - Waste Collection Services**

**Table 2: 2024/25 Budget Summary - Bin Maintenance Services**

**Table 3: 2023/24 Budget Summary - Waste Processing Services**

# Financial Statements



## EAST WASTE

Summary Budget Movement Worksheet  
for the Financial Year Ending 30 June 2025

	FY23 Adopted Budget	FY24 BR2	FY2025 Proposed Budget	Movement: FY25 Proposed Budget v FY24 Adopted Budget	Movement: FY25 Proposed Budget v FY24 BR2	Movement: FY24 v FY23 Adopted Budget	Movement: FY25 Proposed Budget v FY24 BR2	Comments
	\$	\$	\$	\$	\$	%	%	
Administration Fee	\$ 277,119	\$ 277,119	\$ 290,421	\$ 13,302	\$ 13,302	4.80%	4.80%	
Common Fleet Costing	\$ 16,712,597	\$ 16,712,597	\$ 17,956,125	\$ 1,243,528	\$ 1,243,528	7.44%	7.44%	
Processing Income	\$ 5,757,171	\$ 5,757,171	\$ 5,827,332	\$ 70,161	\$ 70,161	1.22%	1.22%	
Bin Services & Maintenance	\$ 1,310,575	\$ 1,360,575	\$ 1,543,605	\$ 233,030	\$ 183,030	17.78%	13.45%	
Profit / (Loss) from Disposal	\$ 18,000	\$ 60,000	\$ 70,000	\$ 52,000	\$ 10,000	288.89%	16.67%	
Grant Income	\$ 50,000	\$ 50,000	\$ 50,000	\$ -	\$ -	0.00%	0.00%	
Other Income	\$ 31,228	\$ 66,228	\$ 48,000	\$ 16,772	\$ 18,228	53.71%	-27.52%	
<b>Total</b>	<b>\$ 24,156,690</b>	<b>\$ 24,283,690</b>	<b>\$ 25,785,482</b>	<b>\$ 1,628,792</b>	<b>\$ 1,501,792</b>	<b>6.74%</b>	<b>6.18%</b>	
Processing Expenses	\$ 5,757,171	\$ 5,757,171	\$ 5,827,332	\$ 70,161	\$ 70,161	1.22%	1.22%	
Bin Service & Maintenance Expenses	\$ 1,310,575	\$ 1,360,575	\$ 1,543,605	\$ 233,030	\$ 183,030	17.78%	13.45%	
Employee Costs	\$ 7,674,925	\$ 7,884,925	\$ 8,865,297	\$ 1,190,372	\$ 980,372	15.51%	12.43%	
Fleet Maintenance	\$ 1,742,780	\$ 1,892,780	\$ 1,957,000	\$ 214,220	\$ 64,220	12.29%	3.39%	
Depreciation	\$ 2,657,404	\$ 2,566,000	\$ 2,724,079	\$ 66,675	\$ 158,079	2.51%	6.16%	
Interest	\$ 384,000	\$ 430,000	\$ 644,396	\$ 260,396	\$ 214,396	67.81%	49.86%	
Fuel	\$ 2,608,485	\$ 2,597,485	\$ 2,228,907	\$ 379,579	\$ 368,579	-14.55%	-14.19%	
Other Expenses	\$ 1,855,879	\$ 1,905,879	\$ 1,817,083	\$ 38,796	\$ 88,796	-2.09%	-4.66%	
<b>Total</b>	<b>\$ 23,991,219</b>	<b>\$ 24,394,815</b>	<b>\$ 25,607,699</b>	<b>\$ 1,616,480</b>	<b>\$ 1,212,883</b>	<b>6.74%</b>	<b>4.97%</b>	
<b>Net Surplus</b>	<b>\$ 165,471.38</b>	<b>\$ 111,125</b>	<b>\$ 177,783.42</b>	<b>\$ 12,312.04</b>	<b>\$ 288,908.72</b>			
<b>Non Operating Activities</b>	<b>FY23 Adopted Budget</b>	<b>FY24 BR2</b>	<b>FY2025 Proposed Budget</b>	<b>Movement: FY25 Proposed Budget v FY24 Adopted Budget</b>	<b>Movement: FY24 v FY23 Adopted Budget</b>			
<b>Income</b>								
Proceeds from Sale of Assets	200,000	200,000	50,000	(150,000)	-133.33%			
Proceeds from Borrowings	4,525,000		2,113,500	(2,411,500)	-187.64%			
<b>Total</b>	<b>\$ 4,725,000</b>		<b>\$ 2,163,500</b>	<b>-\$ 2,561,500</b>	<b>-184.46%</b>			
<b>Expenses</b>								
Fleet Replacement Costs	4,525,000		2,113,500	(2,411,500)	-53.29%			
Motor Vehicle Replacement	55,000		60,000	5,000	9.09%			
Office Furniture & Minor Tools	50,000		50,000	-	0.00%			
Operations Office Upgrade	40,000		60,000	20,000.00	50.00%			
Plant Replacement	25,000		25,000	-	0.00%			
Mechanic's Van Replacement	70,000		-	(70,000)	-100.00%			
Forklift Purchase	55,000		-	(55,000)	-100.00%			
Repayment of Borrowings - LGFA	1,896,000		2,061,317	165,317	8.72%			
Repayment of Borrowings - Leases	263,000		285,235	22,235	8.45%			
<b>Total</b>	<b>6,979,000</b>		<b>4,655,052</b>	<b>(2,323,948)</b>	<b>-33.30%</b>			
<b>Net Non-Operating Result</b>	<b>(2,254,000)</b>		<b>(2,491,552)</b>	<b>(237,552)</b>	<b>10.54%</b>			



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### 9.3: RISK MANAGEMENT POLICY AND STRATEGIC RISK REGISTER

**REPORT AUTHOR:** Manager Business Services  
**ATTACHMENTS:** A: Draft Risk Management Policy  
B: Strategic Risk Management Register Summary

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

To provide the Audit and Risk Management Committee (the Committee) with an opportunity to review and provide feedback on the newly developed draft *Risk Management Policy* and the Strategic Risk Register Summary.

#### **Background**

In 2015 East Waste established a Risk Management system (the System) which incorporates a Risk Management Policy, Framework and Registers.

The System has provided East Waste with a solid foundation to help manage potential risks and has undergone a number of reviews since being first established including a significant update in 2019 which ensured that it aligned with the ISO 31000 Standards.

However, when the system was reviewed in late 2022 several opportunities were identified to enhance the system including but not limited to:

- Using a consistent WHS & Risk Matrix.
- Increasing Staff engagement / awareness.
- Improved alignment of our Risks into the Operational & Strategic Risk Register; and
- Incorporating the system in our electronic WHS & Risk Management System (Skytrust).

At the November 2022 Board meeting a recommendation was made and ultimately endorsed by the Board that East Waste engage the Local Government Risk Services (LGRS) to assist with a review of our Risk Management Systems.

### **8.4 RISK MANAGEMENT SYSTEM REVIEW**

*Moved Mr Tsokas that the Board notes and acknowledges the proposed scope of works timeframe associated with reviewing the Risk Management Policy, Framework and Register, with a progress update be provided at the 23 February 2023 Board Meeting.*

*Seconded Mayor Holmes-Ross*

***Carried***

East Waste has since engaged LGRS to assist with a review of our Risk Management System and all applicable documents. Following the review of our Risk Management System, Administration has, with the assistance of LGRS:

- Provided training to the East Waste Management team which incorporates Managers, Coordinators and Team Leaders.
- Conducted a series of workshop(s) with Staff, The Board and Audit & Risk Management Committee which were designed to increase awareness of operational and strategic risks in addition to capturing/collating key content to review and develop our Risk Registers.
- Developed a Risk Management Policy, Framework, Strategic Risk and Operational Risk Management Registers.

### **Report**

The newly developed Risk Management Policy has been based on LGRS's template document and adopted to East Waste's Policy style with updates/amendments being made to ensure that the Policy aligns with the requirements for East Waste. For the Committee's reference a copy of the draft Risk Management Policy has been included as *Attachment A* to this report (**refer Attachment A**).

Following the previously discussed workshop and various other feedback elements, the development of a new Operational and Strategic Risk Register (which is also based on LGRS's template document and adapted to suit the requirements of East Waste) has occurred. All the identified Risks have been assessed and include risk ratings for:

- Inherent Risk
- Current/Residual Risk; and
- Forecast Risk

In addition to capturing our current controls, the Risk registers also capture further treatment (controls) that are planned for implementation. A copy of the Strategic Risk Summary Document has been attached to this report for the Committee's reference (refer *Attachment B*).

### **Recommendation**

**That the Committee recommends that:**

- 1. The East Waste *Risk Management Policy*, as presented in Attachment A, is endorsed for presentation to the East Waste Board; and,**
- 2. The East Waste *Strategic Risk Summary Document*, as presented in Attachment B, is noted and endorsed for presentation to the East Waste Board.**



<b>Type</b>	Policy
<b>Category</b>	Risk Management
<b>Policy Number</b>	012
<b>First Issued/Adopted</b>	February 2024
<b>Minutes Reference</b>	
<b>Review Period</b>	36 months
<b>Last Reviewed</b>	New Document
<b>Next Review</b>	February 2027
<b>Applicable Legislation</b>	<ul style="list-style-type: none"> <li>• <i>Local Government Act 1999</i></li> <li>• <i>South Australian Work Health and Safety Act 2012</i></li> <li>• <i>Civil Liability Act 1936</i></li> <li>• <i>State Records Act 1997</i></li> </ul>
<b>Related Documents</b>	<ul style="list-style-type: none"> <li>• AS ISO 31000:2018 Risk Management – Guidelines</li> <li>• East Waste Risk Management Framework</li> <li>• East Waste Risk Register(s)</li> <li>• LGAMLS Scheme Rules as gazetted July 2020</li> </ul>
<b>Consultation Undertaken</b>	<ul style="list-style-type: none"> <li>• Audit &amp; Risk Committee</li> </ul>
<b>Responsible Officer</b>	Manager Business Services

SIGNED:

General Manager

Chairperson

Date: \_\_/\_\_/\_\_

Date: \_\_/\_\_/\_\_

## Purpose

- 1.1 Eastern Waste Management Authority (East Waste) recognises that effective management of risk will support successful achievement of its vision and strategic objectives.
- 1.2 The purpose of the Risk Management Policy (the Policy) is to enable an integrated and systematic approach to risk management by:
  - Articulating East Waste's commitment to core risk management principles;
  - Supporting the maintenance of a Risk Management Framework ("the Framework") that comprises the tools and processes that underpin the organisation's risk management approach.

## Policy Statement

- 2.1 The management of risk will be integrated into governance and leadership structures, including decision-making at all levels.
- 2.2 East Waste is committed to developing and maintaining structured and comprehensive risk management processes that are dynamic and based on best available information.
- 2.3 Engagement with East Waste employees and stakeholders is integral to the success of risk management processes and, as such, structures to facilitate consultation and communication will be developed and maintained.
- 2.4 East Waste will monitor and review its strategic, operational and project risks and apply learnings to continually improve efficiency and effectiveness.

## Performance Measures

The performance of the risk management program will be measured through the following performance indicators:

- a) Year on year reduction in strategic risks rated "extreme" and "high"
- b) Percentage of strategic risks within risk appetite
- c) Tangible improvement in risk maturity modelling

**Commented [RG1]:** Is this achievable in the medium to longterm???

## Legislative requirement and policy context

- 4.1 *Section 48 of the Local Government Act 1999 ('LG Act')* requires Councils to identify risks associated with a project and take steps to manage, reduce or eliminate those risks, (including by provision of periodic reports to the CEO and to the Council/Board.)
- 4.2 *Section 125 of the LG Act* requires East Waste to ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the organisation to carry out its activities in an efficient and orderly manner to achieve its objectives.
- 4.3 *Section 132A of the LG Act* requires East Waste to ensure that appropriate policies, practices and procedures are implemented and maintained in order to ensure compliance with statutory requirements and achieve and maintain standards of good public administration.
- 4.4 *Section 134(4) (b) of the LG Act* requires East Waste to adopt risk management policies, controls and systems by a resolution passed by at least a two thirds majority of the members of Elected/Board Members prior to entering into financial arrangements for the purpose of managing, hedging or protecting against interest rates or other costs of borrowing money.
- 4.5 As a member of the Local Government Association Mutual Liability Scheme, East Waste is bound by the Scheme Rules, which include an obligation to ensure that adequate risk management and prevention strategies are put in place so as to absolutely minimise the risk of any incident, circumstance or matter that may give rise to a claim.

## Roles & responsibilities

### 6.1 Board

The Board is responsible for:

- a) Setting the organisation's risk appetite and policy for managing risk;
- b) Giving adequate consideration to risks when setting objectives and making decisions;
- c) Fostering a culture that is consistent with the organisation's appetite for risk;
- d) Ensuring the organisation has the structures and processes in place to support decision making and management of risk;
- e) Setting an appropriate governance structure for risk and risk management including Audit Committee and delegations;
- f) Requiring the General Manager to demonstrate that the framework for managing risk is effective and appropriate; and
- g) Requiring the General Manager to provide information to allow the Board to understand the risks that may have material impacts on achievement of the organisation's objectives; and
- h) Considering recommendations from the Audit Committee relating to strategic risks or any other risk matter.

### 6.2 Audit and Risk Management Committee

The Audit and Risk Management Committee is responsible for:

- a) Reviewing reports from the East Waste Management Team and auditors to ascertain the adequacy of controls that have been implemented; and
- b) Monitoring strategic risks on an annual basis.

### 6.3 General Manager (GM)

The GM has the responsibility for:

- a) Promoting a strong risk management culture by providing firm and visible commitment to risk management including ensuring appropriate accountability for the management of risk;
- b) Reviewing and endorsing the Risk Management Framework;
- c) Developing and implementing a framework that delivers a consistent approach to risk management by allocating resources and assigning authority, responsibility & accountability at appropriate levels within the organisation;
- d) Allocating and upholding accountability for managing risk;
- e) Ensuring the Management Team have the necessary knowledge and skills to effectively fulfil their risk management responsibilities;
- f) Regularly reviewing strategic and operational risks and maintaining an understanding of the environment in which the organisation operates, the risks it faces and the effectiveness of its controls;
- g) Ensuring compliance with legislative and contractual obligations and policy requirements;
- h) Providing reliable information about risks, controls and their effectiveness to the Board; and
- i) Escalating all strategic risks that exceed the organisation's risk appetite to the Board, as required

### 6.4 Management Team

Members of the Management Team are responsible for:

- a) Commitment to, and promotion of, this Policy and the Framework;
- b) Monitoring the organisation's overall risk profile and mitigation strategies;
- c) Ensuring that risk management is embedded into all functions and activities, including decision making;
- d) Ensuring that risks that cannot be treated immediately are recorded on the risk register and that there is ongoing and regular review of the risk register, (including follow up and close out of overdue risk treatments);
- e) Ensuring that staff, contractors, volunteers and other relevant stakeholders have the appropriate skills to be actively be involved in managing risk;
- f) Promoting a proactive risk culture in accordance with business management initiatives;
- g) Collectively reviewing strategic risks and considering emerging risks, (prior to Audit Committee)
- h) Ensuring compliance with legislative and contractual obligations and policy requirements

## 6.5 Manager Business Services (Risk Manager)

The Risk Manager is responsible for:

- a) Providing guidance and assistance to the Management Team and employees in relation to the application of this policy and the Risk Management Framework;
- b) Ensuring relevant risk information is recorded in the Risk Register and reported and escalated to the Management Team or cascaded to employees, as relevant;
- c) Maintaining this Risk Management Policy and the Framework to ensure their currency and relevance; and
- d) Maintaining the Risk Register and reporting timeframes as required.
- e)

## 6.6 Employees, Volunteers and Contractors (Workers):

All Workers are responsible for:

- a) Understanding the risk management processes that apply to their area of work; and
- b) Identifying, evaluating, reporting and managing, (or escalating,) risks relating to daily activities and projects .

Document History:	Version No:	Issue Date:	Description of Change:
	1.0	February 2024	New Document

### East Waste Strategic Risk's Summary

Risk ID	Risk Description	Inherent Risk Rating	Current/ Residual Risk Rating	Forecast Risk Rating	Further treatment required (if current/ residual risk rating is not acceptable)	Number of overdue actions	Reason for overdue actions	Comments
SR1	Inadequate, ineffective, or outdated strategic planning and implementation, resulting in a misalignment with Member Council's strategic objectives, poor investment choices, and inappropriate resource allocation.	Extreme	High	Medium	1.Strategic Plan review	0	0	0
SR2	Ineffective governance and decision-making processes may lead to failure in meeting community and Member Council expectations, potentially harming East Waste's financial health and reputation.	Extreme	Medium	Medium	1. Policy framework review	0	0	0
SR3	The risk of significant legislative demands or changing legislation could result in unintentional breaches of key legal obligations, leading to increased legal expenses and a loss of community confidence in East Waste's transparency, accountability, and financial sustainability.	Extreme	Low	Low		0	0	0
SR4	Failure to innovate and respond promptly to evolving community needs, industry trends, and technological advancements may lead to inefficiencies, ineffective service delivery, and missed opportunities.	Extreme	Medium	Medium	1.Strategic Plan Review 2.Continued Market Reseach	0	0	0

SR5	Failure to ensure Financial Sustainability	Extreme	High	High	1. Investigation of CAD facilities	0	0	0
SR6	Inability to attract and retain a quality workforce/board membership.	Extreme	Extreme	High	1. Develop workforce strategy which includes information on succession planning. 2. Roll out organisational values 3. Enterprise Agreement re-negotiated	0	0	0
SR7	A major unforeseen emergency or adverse event, such as a fire, natural disaster, or pandemic, could disrupt East Waste's ability to deliver essential services or functions.	Extreme	High	High	1. Testing of BCP 2. Emergency Reponse Planning.	0	0	0
SR8	Inadequate protection of the health and safety of workers and the public may result in serious injury, disability, or death, as well as the shutdown of operational fleet and significant negative attention.	Extreme	Medium	Medium	1. Continued staff training. 2. Review of Health and Wellness Programs 3. PPE review	0	0	0
SR9	Member Councils potentially leaves East Waste due to stronger relationships with other similar organizations, resulting in reputational and financial harm. OR Deteriorating relationships with key stakeholders within Member Councils may lead to their withdrawal from	High	Medium	Medium	1. Stakeholder engagement planning 2. Development of SLA's	0	0	0
SR10	Existing assets fail to meet the minimum requirements for current operating needs and future growth	Extreme	High	Medium	1. Review Maintenance Program 2. Depot Lease Review	0	0	0

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#### **9.4: INDEPENDENT COMMITTEE MEMBER APPOINTMENT**

**REPORT AUTHOR:** General Manager

**ATTACHMENTS:** A: Audit and Risk Committee Terms of Reference

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

To recommend to the East Waste Board, the reappointment of Ms Sandra Di Blasio, as an East Waste Audit & Risk Committee Independent Member, for a third consecutive two year period.

##### **Background**

The Audit & Risk Management Committee (ARC) is comprised of three Independent Members (currently Chair Ms Emma Hinchey, Ms Sandra Di Blasio and Ms Linda Green) and two Board Members (currently Independent Board Chair, Mr Fraser Bell and Mr Paul Di Iulio).

Appointments as per the Audit & Risk Committee Terms of Reference (refer Clause 4.5 & 4.6 of Attachment A) are for a period of two years with an Independent Member able to be appointed for a maximum of three (3) consecutive terms.

##### **Report**

Ms Sandra DiBlasio was first appointed to the East Waste Audit & Risk Committee in 2020 following an Expressions of Interest call and recommendation from a Member Council. Ms Di Blasio was reappointed in 2022, for a second two-year term.

Ms Di Blasio has been a consistent and active attendee at Audit & Risk Meetings and workshops and brings significant value to the Committee with 25 years' experience in auditing, banking, finance, consulting, and risk management.

##### **RECOMMENDATION**

**That the Audit & Risk Management Committee recommends to the East Waste Board to reappoint Ms Sandra Di Blasio as an Independent Member of the Committee for a third consecutive 2 year term, commencing on 1 March 2024 and ceasing on 28 February 2026.**



<b>Type</b>	Governance
<b>Category</b>	Audit & Risk
<b>First Issued/Adopted</b>	2017
<b>Minutes Reference</b>	
<b>Review Period</b>	36 months
<b>Last Reviewed</b>	November 2021
<b>Next Review</b>	November 2024
<b>Applicable Legislation</b>	<ul style="list-style-type: none"> <li>• <i>Local Government Act 1999</i></li> <li>• <i>Local Government (Financial Management) Regulations 2011</i></li> <li>• <i>State Records Act 1997</i></li> </ul>
<b>Related Documents</b>	<ul style="list-style-type: none"> <li>• <i>East Waste Charter</i></li> </ul>
<b>Consultation Undertaken</b>	<ul style="list-style-type: none"> <li>• Audit &amp; Risk Committee</li> </ul>
<b>Responsible Officer</b>	Manager Business Services

SIGNED:



General Manager

Date: 25/11/2021



Chairperson

Date: 25/11/2021

## 1. Establishment

- 1.1 The Audit & Risk Management Committee is established under sections 41 and 126 of the *Local Government Act 1999* (the Act) and in compliance with Regulation 17 of the *Local Government (Financial Management) Regulations 2011*.
- 1.2 The Committee is established to provide independent assurance and advice to the Board on accounting, financial management, internal controls, risk management and governance matters.

## 2. Objectives

- 2.1 The Committee is established to:
  - 2.1.1 Review financial statements to ensure that they present fairly, the state of affairs of East Waste.
  - 2.1.2 Propose and provide information relevant to reviewing East Waste's strategic management plans or annual business plans.
  - 2.1.3 Monitor the responsiveness of East Waste to recommendations for improvements based on previous audits and risk assessments.
  - 2.1.4 Propose and review the exercise of powers under section 130A of the Act.
  - 2.1.5 Liaise with East Waste's external auditor.
  - 2.1.6 Review the adequacy of the accounting, internal control, reporting and other financial management systems and processes of East Waste.
  - 2.1.7 Provide oversight of planning and scoping of the internal audit work plan and review and comment on reports provided by the person primarily responsible for the internal audit function.
  - 2.1.8 Recommend to East Waste the appointment of and oversee any external auditor appointed by East Waste.
  - 2.1.9 Review and evaluate the effectiveness of policies, systems and procedures established and maintained to identify, assess, monitor, manage and review strategic, operational risks.
  - 2.1.10 Review any reports prepared for the Board under section 48(1) of the Act (Prudential requirements for certain activities).

### **3. Role of the Committee**

#### **3.1 Financial Reporting and Sustainability**

- 3.1.1 Review the Annual Report including the Annual Financial Statements and application of accounting policies and provide an opinion to the Board on whether they present fairly the state of affairs of East Waste and where appropriate, recommend the approval of any material to be included in the Annual Report concerning internal controls and risk management.
- 3.1.2 Review and make recommendations to the Board regarding the assumptions, financial ratios and financial targets in the Long Term Financial Plan.
- 3.1.3 Provide commentary and advice on the financial sustainability of East Waste and any risks concerning, and as part of the adoption of the Strategic Plans, Long Term Financial Plan, Annual Budget and periodic Budget Reviews.
- 3.1.4 Review and provide recommendations and comments to the Board on East Waste's Asset Management Plans.
- 3.1.5 Review and make recommendations to the Board regarding any other significant financial, accounting, and reporting issues deemed necessary by the Committee, East Waste or Administration.
- 3.1.6 Consider and provide comment on the financial and risk-related issues associated with any business referred to it by the Board for such comment.

#### **3.2 Internal Controls and Risk Management**

- 3.2.1 Monitor, review and evaluate the effectiveness of policies, systems and procedures established and maintained to identify, assess, monitor, manage and review financial and strategic operational risks.
- 3.2.2 Monitor and review the effectiveness of East Waste's internal control environment.
- 3.2.3 Review any reports prepared for the Board under section 48(1) of the Act (Prudential requirements for certain activities).
- 3.2.4 Monitor and review the effectiveness of East Waste's internal audit function.

#### **3.3 Internal Audit**

- 3.3.1 Provide oversight of planning and scoping of the internal audit work plan and review and comment on reports provided by the person primarily responsible for the internal audit function.
- 3.3.2 Monitor the responsiveness to recommendations for improvements based on previous audits and risk assessments, including those raised by East Waste's auditor.

## 3.4 External Audit

- 3.4.1 Oversee East Waste's engagement with the external auditor including but not limited to:
  - 3.4.2 assessing the external auditor's qualifications and expertise.
  - 3.4.3 recommending the approval of the external auditor's remuneration and terms of engagement to East Waste.
  - 3.4.4 assessing the external auditor's independence and objectivity and monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners.
  - 3.4.5 consider and make recommendations to the Board concerning the appointment, reappointment and removal of the East Waste's external auditor.
  - 3.4.6 If an auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action is required.
  - 3.4.7 Liaise with East Waste's external auditor.
  - 3.4.8 Review and make recommendations on the annual audit plan, and in particular its consistency with the scope of the external audit engagement as well as the internal audit plan.
  - 3.4.9 Review the findings of the audit, paying particular attention to any accounting and audit judgements, any adjusted or unadjusted differences and any other significant issues arising from the audit.
  - 3.4.10 Review any representation letter requested by the external auditor before they are signed by management; and
  - 3.4.11 Review Administration's response to reviews, recommendations and audit letters provided by the External Auditor.

## 4. Membership

- 4.1 Members of the Committee shall be appointed by the Board of East Waste.
- 4.2 The Committee shall consist of five (5) members, two (2) of whom shall be members of the Board and three (3) members who are not a member of the board (independent members).
- 4.3 One (1) independent member of the Committee must have financial experience relevant to the functions of the Committee as determined by the Board.
- 4.4 One (1) independent member of the Committee must have experience in the field of legal practitioner and / or risk management and/or governance as determined by the Board.

- 4.5 Expressions of Interest for the Independent Members shall be sought by the Board and be for a maximum term of two (2) years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to the Board's Elected Members, hence their terms will expire in alternate years.
- 4.6 Independent Members are eligible for reappointment at the expiration of their term of office at the sole discretion of the Board. An independent Member may be appointed for a maximum of three (3) consecutive terms. An Independent Member who has served three (3) consecutive terms is eligible to reapply two (2) years after the expiry of their three (3) terms unless, appointed by the board following an expression of interest.
- 4.7 Board Members are appointed to the Committee for two (2) years.

## **5. Voting**

- 5.1 Only members of the Committee are entitled to vote in Committee meetings. Unless otherwise required by the Act not to vote, each member must vote on every matter that is before the Committee for decision. The Chairperson has a deliberative vote but does not, in the event of an equality of votes, have a casting vote.
- 5.2 All decisions of the Committee shall be made based on the majority decision of the members present.
- 5.3 In the event of a tied vote where the members have not decided, the question is neither carried nor lost.
- 5.4 If a vote is tied, the matter may be referred back to the Committee (with or without additional information to inform the debate and decision making) or referred to the Board for a resolution.

## **6. Conflict of Interest**

- 6.1 Members of the Committee must comply with the conduct and conflict of interest provisions of the Act. In particular, sections 62, 63, 64, 73 and 74 must be observed.

## **7. Register of Interests**

- 7.1 All independent members on section 41 Committees need to complete a Register of Interest in accordance with chapter 5 part 4 – Division 2 of the Local Government Act 1999.

## **8. Meetings**

- 8.1 The Committee shall meet at least quarterly prior to Board meetings.
- 8.2 Ordinary Meetings of the Committee will be held at times and places determined by the Committee.
- 8.3 Special Meetings of the Committee may be called in accordance with the Act.

- 8.4 Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, the board and any observers. No later than three (3) clear days before the date of the meeting. Supporting Papers shall be sent to Committee members and other attendees as appropriate at the same time.
- 8.5 Members of the public can attend Committee meetings unless prohibited by the resolution of the Committee under the confidentiality provisions of section 90 of the Act.
- 8.6 Minutes of the Committee meetings shall be circulated within five (5) days after the meeting to all members of the committee.
- 8.7 East Waste's General Manager may direct employees or contractors to attend any meeting as observers or be responsible for preparing papers for the Committee.
- 8.8 East Waste's auditor may be invited to attend meetings of the Committee but is required to attend meetings considering the draft annual financial report and results of the external audit.
- 8.9 Part 2 of Local Government (Procedures at Meetings) Regulations 2013 apply to his Committee.
- 8.10 A member of a Committee can participate in the meeting via electronic means provided advance notice has been provided and facilities are available.

## **9. Quorum**

- 9.1 The quorum necessary for the transaction of business shall be three (3) members. A duly convened meetings of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

## **10. Administrative Resources**

- 10.1 The General Manager shall provide administrative resources to the Committee to enable it to adequately carry out its functions.

## **11. Sitting Fees**

- 11.1 Independent Members (excluding the Chairperson) of the Committee, when attending committee Meetings will be paid a sitting fee for their attendance.
- 11.2 The sitting fee will be determined by the Board every four (4) years.
- 11.3 Sitting fees are paid following each meeting.

## **12. Reimbursement of Expenses**

- 12.1 Reimbursement of Expenses incurred by members of the Committee will be paid in accordance with East Waste's reimbursement process.

## **13. Conduct and Disclosure of Interests**

- 13.1 Members of the Committee must comply with the conduct and conflict of interest provisions of the Act. In particular, Sections 62,63,64,73 and 74 must be observed.

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## 9.5: INDEPENDENT BOARD CHAIR REAPPOINTMENT

REPORT AUTHOR: General Manager

ATTACHMENTS: Nil

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### Purpose of the Report

To advise the Audit & Risk Committee of Mr Fraser Bell's reappointment as the Independent Chair of the East Waste Board. This is an information report only, with no decision required.

### Background

The East Waste Charter requires the appointment of an Independent Chairperson:

*21.1.2 one independent person (who shall be the Chair) appointed jointly by Absolute Majority of the Constituent Councils for a three-year term (and at the expiration of the term is eligible for re-appointment) who is not an officer, employee or elected member of a Constituent Council, but who has expertise in:*

- (a) corporate financial management and/or*
- (b) general management and/or*
- (c) waste management and/or*
- (d) transport fleet management and/or*
- (e) public sector governance*
- (f) marketing and/or*
- (g) economics and/or*
- (h) environmental management.*

Mr Bell was first appointed to the role of Independent Chair in February 2020 following a public recruitment process. He was subsequently reappointed for a second two-year period (under the previous East Waste Charter, Independent Chair appointments were for two years. The tenure was changed to three years in the 2022 Review.

### Report

Ahead of the expiry of Mr Bell's second term, the Board resolved at the September 2023 meeting:

#### **9.4 RE-APPOINTMENT OF INDEPENDENT CHAIRPERSON**

*Moved Mayor Jones that the Board:*

- 1. Supports the re-appointment of Mr Fraser Bell as the Independent Chair of the East Waste Board for a further three-year term, effective from January 2024.*
- 2. Instructs the General Manager to formally write to each Member Council seeking their approval to re-appoint Mr Fraser Bell as the Independent Chair of the East Waste Board for a further three-year period.*
- 3. Confirms the remuneration of the role to be set at \$26,000 per annum.*

*Seconded Cr Huxter*

**Carried**



Six (6) of the eight (8) Member Councils have responded endorsing approval of Mr Bell as Independent Chair. *Clause 21.1.2* of the *East Waste Charter* requires 'absolute majority' approval from Member Councils, which has now been satisfied. As such Mr Bell continues for a third term, commencing in January 2024 and ceasing in December 2027. Under the current Charter, Mr Bell is eligible to nominate for a further term at the completion of this current term.

#### **RECOMMENDATION**

**That the Audit & Risk Management Committee notes and receives the report.**

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## 9.6: REVIEW OF BULLYING AND HARASSMENT POLICY

**REPORT AUTHOR:** Manager Business Services

**ATTACHMENTS:** A: Draft Bullying and Harassment Policy

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### **Purpose of the Report**

To provide the Audit & Risk Management Committee (the Committee) with an opportunity to review the revised *Bullying and Harassment Policy (the Policy)*, prior to being presented to the East Waste Board for endorsement.

### **Background**

The Policy was first developed in 2016 and was based on Safe Work Australia's *Guide for Preventing and Responding to Workplace Bullying*.

In accordance with the Policy review schedule the Policy was last reviewed in November 2023 and is not due to be reviewed again until November 2026. However, on the 25 December 2023 amendments were made to the regulations under the *Work Health and Safety Act 2012* in relation to managing psychosocial hazards. As such, it is now timely to review and update the Policy to incorporate the legislative changes.

Psychosocial hazards are defined as hazards that may cause psychological harm. Examples range from excessive workload demands, to exposure to traumatic events and material, to issues such as bullying and harassment.

### **Report**

Administration have reviewed and updated to the Policy to ensure that it reflects the recent changes to the regulations under the *Workplace and Safety Act 2012*. The changes include updates to the Policy Statement, Responsibilities and Related Documents sections.

For the Committee's reference, the changes to the policy have been tracked and are highlighted in blue font in Attachment A (***refer Attachment A***). The Committee will note that there have also been some formatting and punctuation updates to the Policy.

### **RECOMMENDATION**

**The Audit & Risk Management Committee notes and recommends the revised draft *Bullying and Harassment Policy*, as presented in Attachment A, for presentation to the East Waste Board.**

<b>Type</b>	Policy
<b>Category</b>	Human Resources
<b>Policy Number</b>	011
<b>First Issued/Adopted</b>	January 2016
<b>Minutes Reference</b>	
<b>Review Period</b>	36 months
<b>Last Reviewed</b>	November 2023
<b>Next Review</b>	November 2026
<b>Applicable Legislation</b>	<ul style="list-style-type: none"> <li>• <i>Local Government Act 1999</i></li> <li>• <i>South Australian Work Health and Safety Act 2012</i></li> <li>• <i>South Australian Work Health and Safety Regulations 2012</i></li> <li>• <i>South Australian Equal Opportunity Act 1984</i></li> <li>• <i>Fair Work Act 1994</i></li> </ul>
<b>Related Documents</b>	<ul style="list-style-type: none"> <li>• <i>Behavioural Standards Policy</i></li> <li>• <i>Privacy Policy</i></li> <li>• <i>Sexual Harassment Policy</i></li> <li>• <i>WHS Administration Policy</i></li> <li>• <i>Code of Practice on Managing Psychosocial Hazards at Work</i></li> </ul>
<b>Consultation Undertaken</b>	<ul style="list-style-type: none"> <li>• Audit &amp; Risk Committee</li> </ul>
<b>Responsible Officer</b>	Manager Business Services

SIGNED:

General Manager

Chairperson

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

Date: \_\_\_\_/\_\_\_\_/\_\_\_\_

## Introduction

At East Waste, we are committed to providing a safe and respectful workplace for all employees, contractors and anyone who interacts with our organisation. Bullying and harassment have no place in our workplace, and we are committed to preventing and addressing these behaviours.

## Policy Statement

East Waste is dedicated to creating a work environment free from bullying and harassment, which includes but is not limited to verbal, physical, psychological, psychosocial and cyberbullying. We uphold our commitment to treating all individuals with dignity, respect, and fairness, regardless of their race, ethnicity, religion, gender, sexual orientation, age, disability, or any other characteristic.

This Policy has been established to:

- Provide clarity of what workplace bullying and harassment is and isn't;
- Safeguard the psychosocial wellbeing of employees.
- Assist with ensuring all persons working at East Waste are free from discrimination, bullying and harassment;
- Provide employees with information on how to report any concerns pertaining to bullying and/or harassment; ~~and~~
- Meet required legal and organisational obligations.

The implementation of this Policy and associated procedures and training will assist to foster a constructive work environment. The Policy aims to promote the following constructive behaviours:

- Resolving conflicts constructively; and
- Encouraging and supporting others.

Behaviour that constitutes bullying and & harassment can have significant impacts on employees physical and mental wellbeing in addition to other potential workplace impacts such as decreased productivity, increased staff turnover, increased absenteeism, and poor morale. Therefore, East Waste has a zero-tolerance approach towards any bBullying and hHarassment behaviour.

## Workplace bullying

Bullying is defined as repeated and unwelcome behaviour or actions that cause an individual to feel threatened, intimidated, degraded, or humiliated. It may be carried out by an individual or a group and may include activities such as verbal abuse, offensive jokes, sharing of content, or spreading malicious rumours.

Examples of bullying behaviour can be, but is not limited to:

- Abusive, insulting, threatening or offensive language or comments;
- Behaviour or language that frightens, humiliates, belittles or degrades;
- Teasing or regularly making someone the brunt of practical jokes;
- Spreading gossip, rumours and innuendo of a malicious nature;
- Deliberately excluding, isolating or marginalising a person from normal workplace activities;
- Deliberately denying access to information, consultation or resources;
- Setting unreasonable timelines or constantly changing deadlines;
- Setting tasks that are unreasonably below or beyond a person's skill level;
- Tampering with a person's belongings or work equipment;
- Unfair treatment in relation to accessing workplace entitlements such as leave or training;
- Changing work arrangements, such as rosters and leave, to deliberately inconvenience a particular worker or workers; ~~and~~

- Excessive scrutiny at work.

While bullying is considered a form of aggression, the actions can be both obvious and subtle, whether intentional or unintentional, the behaviours may be considered to be workplace bullying if they are repeated, unreasonable, unwanted and/or create a potential workplace health and safety risk.

## Workplace Harassment

The impacts/effects of harassment are similar to workplace bullying, the difference being that practices of unfair treatment named as harassment are informed by and concerned with the same grounds as those described under anti-discrimination and equal opportunity laws. This includes harassment based on grounds of gender, sexual preference, race, age, disability and other factors.

The practices of harassment and workplace bullying can therefore be the same: the difference being in how they are informed and consequently what legislative action can be taken.

Harassment can be a single or sequence of unwelcome offensive comment(s) or actions. Some of these practices include:

- Intimidation, ridiculing or teasing;
- Offensive jokes;
- Negative, insulting or belittling comments;
- Sharing of offensive content;
- Unreasonably setting different conduct or work standards; ~~and/or~~
- Exclusion from activities, facilities and resources.

## What does not constitute Bullying and & Harassment?

A single incident of unreasonable behaviour is not considered to be workplace bullying. ~~H~~However, if it is not dealt with appropriately there is a possibility the behaviour could continue and/or escalate at which stage it may be considering bullying.

Reasonable direction from a line manager/supervisor or performance management conversation/process does not constitute workplace bullying or harassment. This includes setting reasonable performance goals, standards and deadlines, organisational changes or restructuring, and taking disciplinary action, including suspension and/or terminating employment.

## Responsibilities

**East Waste** are responsible for:

- cCreating a safe and respectful work environment.
- providing adequate support to employees to complete tasks.
- pProviding training and awareness programs to prevent bullying and harassment.
- providing access to a free employee assistance program.
- investigating and addressing any reported incidents promptly and impartially. ~~and~~
- taking appropriate corrective actions in cases where bullying or harassment is substantiated.

**Managers and supervisors** are responsible for:

- lLeading by example and promoting a respectful workplace culture.
- aAddressing and preventing bullying and harassment in their teams.

- ~~r~~Responding to complaints promptly and taking appropriate actions ~~;~~ ~~and~~
- ~~e~~Ensuring that employees are aware of this ~~P~~olicy.

**All employees, contractors, and volunteers** are responsible for:

- ~~t~~Treating all colleagues and individuals with respect and courtesy ~~;~~
- ~~r~~Reporting any incident(s) of bullying or harassment to their Line Manager(s) ~~;~~ ~~and~~
- ~~c~~Cooperating with investigations if they witness or experience such behaviour.

## Reporting of Bullying and Harassment

All staff are encouraged to report incidents of bullying and/or harassment to their direct Team Leader, Supervisor, Coordinator and/or Manager. Staff reporting bullying and/or harassment will be provided complete confidentiality so far as possible. Where the complaint relates to the staff member's direct Supervisor or Manager, the incident is to be reported to the General Manager.

In the event the report is regarding the General Manager then the report should be directed to the East Waste Chairperson whose contact details are available via the East Waste website. East Waste would also encourage staff to raise the concerns confidentially with another member of the executive leadership team who can assist with providing support/direction if required.

Reports of bullying/harassment can be made by any communication method including verbally, via telephone, email or in writing. However, where deemed necessary by a line manager/supervisor the person making the report may be asked to provide detail in writing taking into account all applicable circumstances.

## Resolving complaints about Bullying ~~and~~ & Harassment

All reported bullying and/or harassment incidents will be investigated thoroughly by the relevant Supervisor or Manager taking into account East Waste's *Incident Reporting & Investigation Procedure*.

Any complaints about the application of the Policy to the workplace shall be brought to the attention of East Waste's General Manager.

Following an investigation any staff contravening the *Bullying and Harassment Policy* will be subject to appropriate disciplinary action including, but not limited to, written warnings, attendance at training sessions, mediation, and/or termination of their employment.

## Training

All East Waste staff will attend a bullying and harassment training/awareness session with refresher training being provided at least every three (3) years.

## Counselling and Support

East Waste is dedicated to fostering a workplace environment that is devoid of any form of bullying or harassment. We urge our employees to promptly report any concerns they may have to their respective manager or supervisor, who will offer necessary support and assistance. Additionally, all East Waste staff members have access to an external counselling service via the Employee Assistance Program. East Waste is committed to covering reasonable costs incurred by staff for external counselling sessions.

Document History:	Version No:	Issue Date:	Description of Change:
	1.0	January 2016	New Document
	2.0	March 2018	No Changes
	2.1	March 2021	Job Title changes
	3.0	November 2023	Updated to current Policy format, updated legislation, related documents, policy statement, workplace bullying and workplace harassment section of the Policy.  Other minor wording changes.
	3.1	<u>February 2023</u>	<u>Inclusion of reference to psychosocial harm.</u>  <u>Punctuation format updated.</u>

**9.7: ANNUAL REPORTING CALENDAR**

**REPORT AUTHOR:** Coordinator Finance & Strategic Projects  
**ATTACHMENTS:** A: Annual Reporting Calendar

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**Purpose of the Report**

To provide the Committee with an update of the progress of East Waste's key reporting requirements via the Annual Reporting Calendar.

**Background**

At the May 2023 Board Meeting, The Board resolved:

**9.3 ANNUAL REPORTING CALENDAR**

*Moved Cr Allanson that the Board endorses the East Waste Annual Reporting Calendar, as presented in Attachment A, as a base document for tracking the key legislative and governance reporting requirements.*

*Seconded Mayor Holmes-Ross*

***Carried***

**Report**

The attached Annual Reporting Calendar (refer Attachment A) provides a snapshot update of the progress of East Waste's key legislative and governance reporting requirements for the calendar year. The standard reporting items remain consistent with the 2023 year albeit with some minor timing changes, noting the review of the Long Term Financial Plan is now scheduled for the June Committee & Board Meetings following a review of East Waste's Asset Management Plans in April.

This is a standing item on the Agenda.

**Recommendation**

**That the Committee notes the East Waste *Annual Reporting Calendar*, as presented in Attachment A.**



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

	Feb	Apr/May	Jun	Sep	Nov
Audit & Risk Management Committee Meeting	Feb 14	Apr 26	Jun 13	Sep 12	Nov 14
Board Meeting	Feb 23	May 04	Jun 22	Sep 21	Nov 23

Meeting	Financial						
B	A&R	Budget Review 2	✓				
B	A&R	Draft Annual Plan & Budget Assumptions	✓				
	A&R	Review of Proposed External Audit Work Plan					
B	A&R	Review of Asset Management Plan					
B	A&R	Budget Review 3					
B	A&R	Long Term Financial Plan Review					
B	A&R	Interim Audit Report					
B	A&R	Annual Plan and Budget Endorsement					
B		Review of Confidential Orders					
B	A&R	Draft Audited Financial Statements & Meeting with Auditor					
B	A&R	Regulation 10 Financial Report					
B	A&R	Draft Annual Report for Endorsement					
B	A&R	Budget Review 1					
B	A&R	Treasury Management Performance Report					
Governance							
B	A&R	Board & Committee Appointments	✓				
B		Annual Education Summary Report					
B		Lodgment of RPD, Primary, and Ordinary Returns					
B		General Manager Performance Review					
B	A&R	Policy Review Schedule					
B	A&R	Audit & Risk Management Committee Performance Evaluation					
B		Board Performance Evaluation					
B	A&R	Proposed Meeting Schedule for Proceeding Year					
Risk							
B	A&R	Strategic Risk Register Review					

[illegible]