



**EASTERN WASTE MANAGEMENT AUTHORITY
ORDINARY BOARD MEETING**

Thursday 29 February 2024

Notice is hereby given that a meeting of The Board of the Eastern Waste Management Authority will be held in the Mayor's Parlour, City of Norwood Payneham & St Peters, 175 The Parade, Norwood, on Thursday 29 February 2024 commencing at 5:30pm.

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

**ROB GREGORY
GENERAL MANAGER**

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

ORDINARY MEETING OF THE BOARD OF MANAGEMENT

Meeting to be held on Thursday 29 February 2024 commencing at 5:30pm,
at the City of Norwood Payneham & St Peters, 175 The Parade, Norwood

1. PRESENT

2. ACKNOWLEDGEMENT OF COUNTRY

3. APOLOGIES

4. CONFLICTS OF INTEREST

5. CONFIRMATION OF THE MINUTES

- RECOMMENDED:**
1. That the Minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on Thursday 23 November 2023, be received confirmed, and adopted.
 2. That the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee Meeting held on Wednesday 21 February 2024, be received, confirmed and adopted.

6. MATTERS ARISING FROM THE MINUTES

7. QUESTIONS WITHOUT NOTICE

8. PRESENTATIONS

9. REPORTS

- 9.1 FINANCIAL REPORT – FY24 - BUDGET REVIEW TWO.....pg.14
- 9.2 2023/24 DRAFT ANNUAL PLAN & BUDGETpg.22
- 9.3 RISK MANAGEMENT POLICY AND STRATEGIC RISK REGISTERpg.48
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APPOINTMENT.....pg.56
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- 9.6 REVIEW OF BULLYING AND HARRASSMENT POLICY.....pg.66
- 9.7 SINGLE USE PLASTICS SUBMISSION.....pg.72
- 9.8 ANNUAL REPORTING CALENDARpg.77
- 9.9 ANNUAL PLAN PROGRESS REPORT.....pg.79
- 9.10 NATIONAL COMPETITION POLICY STATEMENT.....pg.83

10. CONFIDENTIAL REPORTS

10.1 EXTERNAL AUDITORS CONTRACT.....pg.93

10.2 EAST WASTE BUSINESS OPERATIONS CENTRE CONSIDERATIONS.....pg.101

10.3 GENERAL MANAGER KEY PERFORMANCE INDICATORS 2023/24.....pg124.

10. OTHER BUSINESS

11. NEXT MEETING OF THE BOARD

The next Ordinary Board Meeting is proposed to be held on:

Thursday 2 May 2024, at the Mayor's Parlour, City of Norwood, Payneham & St Peters, 175
The Parade, Norwood

12. CLOSURE OF MEETING

EastWaste

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

held on Thursday 23 November 2023, commencing at 5:30pm, at the Mayor's Parlour,
City of Norwood Payneham & St Peters

Meeting opened at 5.42pm

1. ACKNOWLEDGEMENT OF COUNTRY

2. PRESENT

Directors:

Mr F Bell	Independent Chairperson
Mr P Di Iulio	Campbelltown City Council
Mayor H Holmes-Ross	City of Mitcham
Cr C Clutterham	City of Norwood, Payneham & St Peters
Mr S Dilena	City of Prospect
Mr C Malak	City of Unley
Mayor M Jones	Corporation of the Town of Walkerville

Deputy Directors:

Cr V McFarlane	City of Norwood, Payneham & St Peters
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In Attendance:

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

Cr L Huxter	Adelaide Hills Council
Cr Ted Jennings	City of Burnside
Mr J Jovicevic	Dean Newbery

4. CONFLICTS OF INTEREST

Mr Gregory declared a conflict of interest in Item 10.1 and will leave the meeting.

5. CONFIRMATION OF THE MINUTES

1. Moved Mayor Jones that the Minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on Thursday 21 September 2023, be received confirmed, and adopted.

Seconded Mayor Holmes-Ross

Carried

2. Moved Cr Clutterham that the Minutes of the Eastern Waste Management Authority General Manager Performance Review Committee Meeting held on 28 September 2023, be received, confirmed and adopted.

Seconded Mayor Holmes-Ross

Carried

3. Moved Mr Di Iulio that the Minutes of the Eastern Waste Management Authority Audit and Risk Management Committee Meeting held on Tuesday 14 November 2023, be received, confirmed and adopted.

Seconded Mayor Holmes-Ross

Carried

6. MATTERS ARISING FROM THE MINUTES

Nil.

7. QUESTIONS WITHOUT NOTICE

Nil.

8. PRESENTATIONS

8.1 WEEKLY FOGO TRIAL UPDATE

Presentation by Mr Gregory, on the high performance of the City of Prospect trial and potential broader benefits to Member Councils.

Cr McFarlane arrived at 5:57pm

8.2 REPORTING OVERVIEW

Presentation by Mr Maywald, on the implemented Member Council Reporting.

9. REPORTS

9.1 FINANCIAL STATEMENTS: BUDGET REVIEW ONE

Moved Mr Di Iulio that the Board notes and accepts the forecasted end of year FY2024 result associated with the 2023/24 Budget Review One.

Seconded Mr Malak

Carried

9.2 TREASURY MANAGEMENT PERFORMANCE REPORT

Moved Cr Clutterham that the Board endorses the 2024 Annual Treasury Management Performance Report as presented in Attachment A.

Seconded Mayor Jones

Carried

9.3 BULLYING AND HARASSMENT POLICY

Moved Cr Clutterham that the Board endorses the revised Bullying and Harassment Policy, as presented in Attachment A.

Seconded Mayor Holmes-Ross

Carried

9.4 NATIONAL COMPETITION POLICY STATEMENT

Moved Mayor Jones that the National Competition Policy Statement be revised, in line with the East Waste Charter and presented at the February 2024 Board Meeting.

Seconded Cr Clutterham

Carried

9.5 POLICY REVIEW SCHEDULE

Moved Mr Dilena that the Board notes and receives the Report and the Policy Review Schedule, as presented in Attachment A.

Seconded Cr Clutterham

Carried

9.6 2024 PROPOSED MEETING SCHEDULE

Moved Mayor Jones that the Board endorses and adopts the East Waste 2024 Meeting Schedule.

Seconded Cr Clutterham

Carried

9.7 ANNUAL REPORTING CALENDAR

Moved Mayor Jones that the Board receives and notes the East Waste Annual Reporting Calendar, as presented in Attachment A.

Seconded Cr Clutterham

Carried

9.8 ANNUAL PLAN PROGRESS REPORT

Moved Mr Dilena that the report be received and noted.

Seconded Mayor Holmes-Ross

Carried

Mr Gregory left the meeting at 7:03pm

Mr Maywald left the meeting at 7:03pm

Ms Vandermoer left the meeting at 7:03pm

Ms Foy left the meeting at 7:03pm

10. CONFIDENTIAL REPORTS

10.1 GENERAL MANAGER SALARY REVIEW

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

- (b) information the disclosure of which—
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom the Authority is conducting, or proposing to conduct, business, or to prejudice the commercial position of the Authority;

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

Seconded Cr Clutterham

Carried

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

Seconded Cr Clutterham

Carried

Mr Gregory returned to the meeting at 7:42pm

Mr Maywald returned to the meeting at 7:42pm

Ms Vandermoer returned to the meeting at 7:42pm

Ms Foy returned to the meeting at 7:42pm

11. OTHER BUSINESS

11.1 CHAIR REAPPOINTMENT

Mr Gregory provided a verbal update.

12. NEXT MEETING OF THE BOARD

The next Ordinary Board Meeting is scheduled to be held on Thursday 29 February 2024, commencing at 5:30pm, at the City of Norwood Payneham & St Peters, 175 The Parade, Norwood.

13. CLOSURE OF MEETING

There being no further business the meeting closed at 7.45pm

DATE: _____

CHAIRPERSON: _____



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

**held on Wednesday 21 February 2024 in the Boardroom, Dean Newbery & Partners,
214 Melbourne Street, North Adelaide**

The Chair declared the meeting open at 8.02 am.

1. ACKNOWLEDGEMENT OF COUNTRY

2. PRESENT

Mrs E Hinchey	Independent Member/Chair
Mr F Bell	Independent Board Chair (via Zoom)
Mr P Di Iulio	Board Member
Ms L Green	Independent Member

IN ATTENDANCE

Mr R Gregory	General Manager
Mr D Maywald	Manager Business Services
Ms K Vandermoer	Coordinator Finance & Strategic Projects
Ms V Davidson	Executive Administration Officer
Mr J Jovicevic	Dean Newbery & Partners
Mr D Lambert	Local Government Finance Authority

3. APOLOGIES

Nil.

4. CONFLICTS OF INTEREST

The following disclosures of interest were made:

Item	Type of Conflict	Person
Item 9.2	Section 120	Mr J Jovicevic
Item 10.2	General	Ms L Green

5. CONFIRMATION OF THE MINUTES – 14 November 2023

Moved Ms L Green that the Minutes of the previous meeting of the Audit and Risk Management Committee, held on 14 November 2023, be confirmed as a true and correct record.

Seconded Mr P Di Iulio.

Carried

6. MATTERS ARISING FROM THE MINUTES

Nil.

7. QUESTIONS WITHOUT NOTICE

Nil.

8. PRESENTATIONS

8.1 LGFA INTRO & PRODUCT OVERVIEW (Local Government Finance Authority)

Presentation by Mr Davin Lambert, CEO, Local Government Finance Authority.

Mr Lambert left the meeting at 8.42am.

8.2 REVIEW OF EAST WASTE BORROWINGS & ADMINISTRATION FEE

Presentation by Mr John Jovicevic, Dean Newbery & Associates and Ms K Vandermoer, East Waste.

9. REPORTS

9.1 FINANCIAL REPORT – FY24 BUDGET REVIEW TWO

Moved Mr P Di Iulio that the Audit and Risk Management Committee notes and accepts the end of year FY2024 result associated with the 2023/24 Budget Review Two and recommends to the East Waste Board for endorsement.

Seconded Ms L Green

Carried

9.2 DRAFT 2024/25 ANNUAL PLAN & BUDGET

Mr J Jovicevic declared a section 120 interest in relation to this matter as his wife is employed by Leedwell.

Moved Ms L Green that the Audit and Risk Management Committee:

1. Notes and approves the draft 2024/25 Annual Plan for presentation to the East Waste Board.
2. The draft 2024/25 Draft Budget Key Assumptions are noted and supported for presentation to the East Waste Board.

Seconded Mr P Di Iulio

Mr F Bell left the meeting at 9.30am.

Carried

Mr J Jovicevic left the meeting at 9.32am.

9.3 RISK MANAGEMENT POLICY AND STRATEGIC RISK REGISTER

Moved Mr P Di Iulio that the Audit and Risk Management 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.

Seconded Ms L Green

Carried

9.4 INDEPENDENT COMMITTEE MEMBER APPOINTMENT

Moved Ms L Green that the Audit and 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.

Seconded Mr P Di Iulio

Carried

9.5 INDEPENDENT BOARD CHAIR REAPPOINTMENT

Moved Mr P Di Iulio that the Audit and Risk Management Committee notes and receives the report titled Independent Board Chair Reappointment.

Seconded Ms L Green

Carried

9.6 REVIEW OF BULLYING AND HARASSMENT POLICY

Moved Ms L Green that the Audit and 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.

Seconded Mr P Di Iulio

Carried

9.7 ANNUAL REPORTING CALENDAR

Moved Mr P Di Iulio that the Audit and Risk Management Committee notes the East Waste Annual Reporting Calendar, as presented in Attachment A.

Seconded Ms L Green

Carried

10. CONFIDENTIAL REPORTS

10.1 CONFIDENTIAL EXTERNAL AUDITORS CONTRACT

RECOMMENDATION 1

Moved Ms Green that:

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

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

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

Seconded Mr P Di Iulio

Carried

RECOMMENDATION 3

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

Seconded Mr P Di Iulio

Carried

10.2 CONFIDENTIAL EAST WASTE BUSINESS OPERATIONS CENTRE CONSIDERATIONS

Ms L Green declared a general conflict of interest in relation to this matter as her son in law works for Superior Pak. Ms Green stated that she would remain in the room, and vote on the matter.

RECOMMENDATION 1

Moved Mr P Di Iulio that:

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

(d) commercial information of a confidential nature (not being a trade secret) the disclosure of which –

- (i) *could reasonably be expected to prejudice the commercial position of the person who supplied the information, or to confer a commercial advantage on a third party; and*
- (ii) *would, on balance, be contrary to the public interest;*

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

Seconded Ms L Green

Carried

RECOMMENDATION 3

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

Seconded Ms L Green

Carried

Ms L Green voted in the affirmative in this matter.

11. OTHER BUSINESS

Nil.

12. NEXT MEETING OF THE AUDIT AND RISK MANAGEMENT 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

There being no other business the meeting was closed at 9.45am.

PRESIDING MEMBER _____ **DATE** _____

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

Purpose of the Report

To provide the East Waste Board 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 Dilena 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.

Having considered the BR1 Financial Statements at the meeting held 21 February 2024, the Audit & Risk Management Committee resolved:

9.1 FINANCIAL REPORT – FY24 BUDGET REVIEW TWO

Moved Mr P Di Iulio that the Audit and Risk Management Committee notes and accepts the end of year FY2024 result associated with the 2023/24 Budget Review Two and recommends to the East Waste Board for endorsement.

Seconded Ms L Green

Carried

RECOMMENDATION

That the East Waste Board notes and accepts the forecasted end of year FY2024 result associated with the 2023/24 Budget Review Two.

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	
Total	12,314,858	24,156,690	24,161,690	24,283,690		122,000	
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	
Total	12,199,973	23,991,219	23,991,219	24,394,815		403,596	
Net Surplus	114,885	165,471	170,471	(111,125)		(281,596)	
Non Operating Cash Flow	Actual YTD - 31 December 2023	Adopted Budget	BR1	Proposed BR2	Actual YTD / Proposed BR2	Proposed Budget Movement	
Income							
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%	-	
Total	1,389,719	2,165,000	2,165,000	2,207,500		42,500	
Expenses							
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%	-	
Total	2,875,667	4,384,331	6,380,794	6,522,740		141,946	
Net Non-Operating Cash Flow	(1,485,948)	(2,219,331)	(4,215,794)	(4,315,240)		(99,446)	

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
Income					
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
22,312	Total	24,139	24,144	24,224	80
Expenses					
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
22,122	Total	23,991	23,991	24,395	404
190	Operating Surplus / (Deficit)	148	153	(171)	(324)
143	Asset disposals & fair value adjustments	18	18	60	42
333	Net Surplus / (Deficit)	166	171	(111)	(282)
-	Other Comprehensive Income	-	-	-	-
333	Total Comprehensive Income	166	171	(111)	(282)

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
Assets					
Current					
3,953	Cash & Cash Equivalents	3,001	2,608	2,100	(508)
746	Trade & Other Receivables	935	746	746	-
43	Inventory	50	43	43	-
4,742	Total	3,986	3,397	2,889	(508)
Non-Current					
9,510	Infrastructure, Property, Plant & Equipment	10,490	10,972	11,066	94
9,510	Total	10,490	10,972	11,066	94
14,252	Total Assets	14,476	14,369	13,955	(414)
Liabilities					
Current					
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
4,443	Total	4,404	4,497	4,502	5
Non-Current					
8,490	Borrowings	8,402	8,327	8,185	(142)
136	Provisions	229	191	196	5
8,626	Total	8,631	8,518	8,381	(137)
13,069	Total Liabilities	13,035	13,015	12,883	(132)
1,183	Net Assets	1,441	1,354	1,072	(282)
Equity					
1,183	Accumulated Surplus	1,441	1,354	1,072	(282)
1,183	Total Equity	1,441	1,354	1,072	(282)

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

for the Financial Year Ending 30 June 2024

FY2023		FY2024	FY2024	FY2024	FY2024
Audited		Adopted	BR1	BR2	Movement
Actuals		Budget			BR2 v BR1
\$'000		\$'000	\$'000	\$'000	\$'000
	Cash Flows from Operating Activities				
	Receipts				
22,455	Operating Receipts	24,069	24,069	24,119	50
46	Investment Receipts	20	25	55	30
	Payments				
(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)
2,439	Net Cash Flows from Operating Activities	2,865	2,870	2,462	(408)
	Cash Flows from Investing Activities				
	Receipts				
145	Sale of Replaced Assets	50	50	93	43
	Payments				
(587)	Expenditure on Renewal/Replaced Assets	(2,115)	(4,111)	(4,111)	-
(2,484)	Expenditure of New/Upgraded Assets	(40)	(40)	(40)	-
(2,926)	Net Cash Flows from Investing Activities	(2,105)	(4,101)	(4,059)	43
	Cash Flow from Financing Activities				
	Receipts				
4,525	Proceeds from Borrowings	2,115	2,115	2,115	-
	Payments				
(1,815)	Repayment of Lease Liabilities	(285)	(285)	(285)	-
(271)	Repayment of Borrowings	(1,944)	(1,944)	(2,086)	(142)
2,439	Net Cash Flow from Financing Activities	(114)	(114)	(256)	(142)
1,952	Net Increase (Decrease) in cash held	646	(1,345)	(1,853)	(508)
2,001	Cash & cash equivalents at beginning of period	2,355	3,953	3,953	-
3,953	Cash & cash equivalents at end of period	3,001	2,608	2,100	(508)

ITEM 9.1 - ATTACHMENT E

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	-	-	-	-
1,183	Balance at End of Period - 30 June	1,441	1,354	1,072	(282)

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

for the Financial Year Ending 30 June 2024

FY2023		FY2024	FY2024	FY2024
Audited Actuals		Adopted Budget	BR1	BR2
\$'000		\$'000	\$'000	\$'000
Income				
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
22,312		24,139	24,144	24,224
Expenses				
7,476	<i>Employee Costs</i>	7,675	7,675	7,885
12,184	<i>Materials, contracts & other expenses</i>	13,275	13,275	13,514
2,108	<i>Depreciation, amortisation & impairment</i>	2,657	2,657	2,566
354	<i>Finance costs</i>	384	384	430
22,122		23,991	23,991	24,395
190	Operating Surplus / (Deficit)	148	153	(171)
Net Outlays on Existing Assets				
(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
1,666		592	(1,404)	(1,453)
Net Outlays on New and Upgraded Assets				
(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>	-	-	-
(2,484)		(40)	(40)	(40)
(628)	Annual Net Impact to Financing Activities (surplus/(deficit))	700	(1,291)	(1,664)

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

Purpose of the Report

To provide the Board with an opportunity to review (and endorse) the draft FY24 Annual Plan and budget prior to the required distribution to Member Councils.

Background

Section 51 of the Eastern Waste Management Authority Charter requires the Authority to have an Annual Plan which supports and informs its Budget. Following the Board's endorsement, the draft Annual Plan and Budget will be distributed to Member Councils for their review prior to the mandated 31 May timeframe (*Section 52.3 of the Charter*). Additionally, *Section 53* requires the Authority to advise Constituent Councils of proposed fees for the next financial year by April 1. 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's 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.

Following Minister Close's announcement last week on proposed legislation which would place far stricter controls on kerbside collections, the progress of trials and rollouts associated with weekly FOGO collections is unclear. East Waste had been working with a number of Members to progress and it was anticipated, through their own FY25 Annual Plan and budget processes, Members 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 and uncertainty from a resourcing perspective, 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 6.37% on the proposed FY24 BR2 is required to meet the Business as Usual operational requirements. This is above the December 2023 annual CPI rate (4.8%), however is lower than the projected increase within the East Waste Long Term Financial Plan (6.4%). The year on year original adopted budget increase (FY24 versus FY250 is projected to be 7.96%.

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 (\$0.178M).
- 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.
- **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 administrative processing fees 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 months, 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 \$0.150M.
- **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 almost \$0.170M 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.

Having considered the 2024/25 Annual Plan and Budget at the meeting held 21 February 2024, the Audit & Risk Committee resolved:

9.2 DRAFT 2024/25 ANNUAL PLAN & BUDGET

Moved Ms L Green that the Audit and Risk Management Committee:

1. *Notes and approves the draft 2024/25 Annual Plan for presentation to the East Waste Board.*
2. *The draft 2024/25 Draft Budget Key Assumptions are noted and supported for presentation to the East Waste Board.*

Seconded Mr P Di Iulio

Carried

RECOMMENDATION

That the Board:

- 1. Endorse the East Waste 2024/25 Annual Plan, as presented in Attachment A;**
- 2. Endorse the associated draft budget and proposed Member Council Fees;**
- 3. Authorise the General Manager to distribute to each Member Council for review and comment, the *Draft 2024/25 Annual Plan*, as presented in Attachment A, along with the proposed fees.**

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. Albeit, a supportive legislative approach is required, which at the time of drafting the Annual Plan is under threat due to an announcement on new legislation which will impact on Local Government's ability to drive behaviour change and achieve diversion targets.

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. With the benefit of experience and lessons learned from recent joint approaches to the market, East Waste can position for strong contemporary market approach and contract.

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 trials 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 trials, 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. Building on recent experiences in this space, East Waste will deliver 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
DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES						
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"> • At least 75% of kerbside material separately collected & recycled • 100% of food waste separately collected and recycled. 	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. Borrowings are based on the most recent Local Government Finance Authority (LGFA) forecasts.

The FY25 increase sits higher than CPI, which is unusual for East Waste, however is consistent with the projected increase forecasted within 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

	Income	Expenditure	Net Surplus /Deficit
	\$	\$	\$
Recurrent- Waste Collection	18,043,182	17,785,958	257,225
Recurrent - Corporate Administration	416,421	-	416,421
Service Initiatives	-	495,000	(495,000)
Capital Program	-	2,308,500	(2,308,500)
Total	18,459,603	20,589,458	(2,129,855)

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

	Income	Expenditure	Net Surplus /Deficit
	\$	\$	\$
Recurrent	1,543,605	1,543,605	-
Service Initiatives	-	-	-
Capital Program	-	-	-
Total	1,543,605	1,543,605	-

Table 3: 2024/25 Budget Summary - Waste Processing Services

	Income	Expenditure	Net Surplus /Deficit
	\$	\$	\$
Recurrent	5,827,332	5,827,332	-
Service Initiatives	-	-	-
Capital Program	-	-	-
Total	5,827,332	5,827,332	-

Financial Statements

EAST WASTE

Projected Statement of Comprehensive Income (Budgeted)
for the Financial Year Ending 30 June 2025

FY2023		FY2024	FY2024	FY2025
Audited Actuals		Adopted Budget	BR2	Proposed Budget
\$'000		\$'000	\$'000	\$'000
Income				
21,188	User Charges	22,747	22,747	24,161
46	Investment income	20	55	56
-	Grants, subsidies and contributions	50	50	-
1,078	Other	1,322	1,372	1,544
22,312	Total	24,139	24,224	25,761
Expenses				
7,476	Employee Costs	7,675	7,885	8,865
12,184	Materials, contracts & other expenses	13,275	13,514	13,324
2,108	Depreciation, amortisation & impairment	2,657	2,566	2,752
354	Finance costs	384	430	711
22,122	Total	23,991	24,395	25,652
190	Operating Surplus / (Deficit)	148	(171)	109
143	Asset disposals & fair value adjustments	18	60	70
333	Net Surplus / (Deficit)	166	(111)	179
-	Other Comprehensive Income	-	-	-
333	Total Comprehensive Income	166	(111)	179

EAST WASTE

Projected Balance Sheet (Budgeted)
for the Financial Year Ending 30 June 2025

FY2023		FY2024	FY2024	FY2025
Audited Actuals		Adopted Budget	BR2	Proposed Budget
\$'000		\$'000	\$'000	\$'000
	Assets			
	Current			
3,953	Cash & Cash Equivalents	3,001	2,100	2,695
746	Trade & Other Receivables	935	746	746
43	Inventory	50	43	43
4,742	Total	3,986	2,889	3,484
	Non-Current			
9,510	Infrastructure, Property, Plant & Equipment	10,490	11,066	13,696
9,510	Total	10,490	11,066	13,696
14,252	Total Assets	14,476	13,955	17,180
	Liabilities			
	Current			
1,266	Trade & Other Payables	1,311	1,216	1,227
2,306	Borrowings	2,200	2,355	2,285
871	Provisions	893	931	991
4,443	Total	4,404	4,502	4,503
	Non-Current			
8,490	Borrowings	8,402	8,185	11,170
136	Provisions	229	196	256
8,626	Total	8,631	8,381	11,426
13,069	Total Liabilities	13,035	12,883	15,929
1,183	Net Assets	1,441	1,072	1,251
	Equity			
1,183	Accumulated Surplus	1,441	1,072	1,251
1,183	Total Equity	1,441	1,072	1,251

EAST WASTE

Projected Statement of Cash Flows (Budgeted)
for the Financial Year Ending 30 June 2025

FY2023		FY2024	FY2024	FY2025
Audited Actuals		Adopted Budget	BR2	Proposed Budget
\$'000		\$'000	\$'000	\$'000
Cash Flows from Operating Activities				
Receipts				
22,455	Operating Receipts	24,069	24,119	25,705
46	Investment Receipts	20	55	56
Payments				
(7,361)	Employee costs	(7,565)	(7,765)	(8,745)
(12,397)	Materials, contracts & other expenses	(13,275)	(13,514)	(13,324)
(304)	Interest Payments	(384)	(433)	(700)
2,439	Net Cash Flows from Operating Activities	2,865	2,462	2,992
Cash Flows from Investing Activities				
Receipts				
145	Sale of Replaced Assets	50	92	50
Payments				
(587)	Expenditure on Renewal/Replaced Assets	(2,115)	(4,111)	(2,249)
(2,484)	Expenditure of New/Upgraded Assets	(40)	(40)	(60)
(2,926)	Net Cash Flows from Investing Activities	(2,105)	(4,059)	(2,259)
Cash Flow from Financing Activities				
Receipts				
4,525	Proceeds from Borrowings	2,115	2,115	2,114
Payments				
(1,815)	Repayment of Lease Liabilities	(285)	(285)	(170)
(271)	Repayment of Borrowings	(1,944)	(2,086)	(2,081)
2,439	Net Cash Flow from Financing Activities	(114)	(256)	(138)
1,952	Net Increase (Decrease) in cash held	646	(1,853)	595
2,001	Cash & cash equivalents at beginning of period	2,355	3,953	2,100
3,953	Cash & cash equivalents at end of period	3,001	2,100	2,695

EAST WASTE

Projected Statement of Changes in Equity (Budgeted)
for the Financial Year Ending 30 June 2025

FY2023	FY2024	FY2024	FY2025
Audited Actuals	Adopted Budget	BR2	Proposed Budget
\$	\$'000	\$'000	\$'000
850 Balance at Start of Period - 1 July	1,275	1,183	1,072
333 Net Surplus / (Deficit) for Year	166	(111)	179
- Contributed Equity	-	-	-
- Distribution to Councils	-	-	-
1,183 Balance at End of Period - 30 June	1,441	1,072	1,251

EAST WASTE

Projected Uniform Presentation of Finances (Budgeted)
for the Financial Year Ending 30 June 2025

FY2023		FY2024	FY2024	FY2025
Audited Actuals		Adopted Budget	BR2	Proposed Budget
\$'000		\$'000	\$'000	\$'000
Income				
21,188	User Charges	22,747	22,747	24,161
46	Investment income	20	55	56
-	Grants, subsidies and contributions	50	50	-
1,078	Other	1,322	1,372	1,544
22,312		24,139	24,224	25,761
Expenses				
7,476	Employee Costs	7,675	7,885	8,865
12,184	Materials, contracts & other expenses	13,275	13,514	13,324
2,108	Depreciation, amortisation & impairment	2,657	2,566	2,752
354	Finance costs	384	430	711
22,122		23,991	24,395	25,652
190	Operating Surplus / (Deficit)	148	(171)	109
Net Outlays on Existing Assets				
(587)	Capital Expenditure on Renewal and Replacement of Existing Assets	(2,115)	(4,111)	(2,249)
2,108	Depreciation, Amortisation and Impairment	2,657	2,566	2,752
145	Proceeds from Sale of Replaced Assets	50	92	50
1,666		592	(1,453)	553
Net Outlays on New and Upgraded Assets				
(2,484)	Capital Expenditure on New and Upgraded Assets	(40)	(40)	(60)
-	Amounts Specifically for New and Upgraded Assets	-	-	-
-	Proceeds from Sale of Surplus Assets	-	-	-
(2,484)		(40)	(40)	(60)
(628)	Annual Net Impact to Financing Activities (Surplus/(Deficit))	700	(1,664)	602

ITEM 9.2 - ATTACHMENT B

EAST WASTE

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

Operating Activities	FY2024 Adopted Budget	FY2024 BR2 Proposed Budget	FY2025 Proposed Budget	Adopted LTFF - FY2025	Movement: FY25 Proposed Budget v FY24 BR2	Movement: FY25 Proposed Budget v. LTFF FY25	Movement: FY25 Proposed Budget v FY24 BR2	Movement: FY25 Budget v LTFF FY25	Comments
	\$	\$	\$	\$	\$	\$	%	%	
Income									
Administration Fee	277,119	277,119	290,421	285,433	13,302	4,988	4.80%	1.75%	Year on year movement consistent with CPI
Common Fleet Costing	16,712,597	16,712,597	18,043,182	17,763,843	1,330,585	279,339	7.96%	1.57%	Increase impacted by number of required Operational expenditure areas (eg. Wages, Depot Lease etc.)
Processing Income	5,757,171	5,757,171	5,827,332	6,195,371	70,161	(368,039)	1.22%	-5.94%	
Bin Services & Maintenance	1,310,575	1,360,575	1,543,605	1,376,104	183,030	167,500	13.45%	12.17%	Full Cost recovery. Increase in service provision to Councils
Profit / (Loss) from Disposal	18,000	60,000	70,000	50,000	10,000	20,000	16.67%	40.00%	Anticipated truck disposal revenue.
Grant Income	50,000	50,000	-	-	(50,000)	-	-100.00%	0.00%	No grant funding secured for FY25 year.
Other Income	31,228	66,228	56,000	92,030	(10,228)	(36,030)	-15.44%	-39.15%	Predominantly due to movement in forecasted interest.
Total	24,156,690	24,283,690	25,830,540	25,762,781	1,546,850	67,759	6.37%	0.26%	
Expenses									
Processing Expenses	5,757,171	5,757,171	5,827,332	6,195,371	70,161	(368,039)	1.22%	-5.94%	
Bin Service & Maintenance Expenses	1,310,575	1,360,575	1,543,605	1,376,104	183,030	167,500	13.45%	12.17%	Full cost recovery. Increase in service provision to Councils.
Employee Costs	7,674,925	7,884,925	8,865,297	8,092,301	980,372	772,996	12.43%	9.55%	Increase above CPI to match operational requirements in the field and attract and retain staff
Fleet Maintenance	1,742,780	1,892,780	1,957,000	1,882,202	64,220	74,798	3.39%	3.97%	
Depreciation	2,657,404	2,566,000	2,751,971	2,712,396	185,971	39,575	7.25%	1.46%	
Interest	384,000	430,000	710,700	681,777	280,700	28,923	65.28%	4.24%	
Fuel	2,608,485	2,597,485	2,228,907	2,643,707	(368,579)	(414,801)	-14.19%	-15.69%	Revised down from FY24 budget proposal. Remains volatile
Other Expenses	1,855,879	1,905,879	1,767,083	2,003,042	(138,796)	(235,959)	-7.28%	-11.78%	
Total	23,991,219	24,394,815	25,651,894	25,586,901	1,257,079	64,993	5.15%	0.25%	
Net Surplus	165,471	(111,125)	178,645	175,880	289,771	2,766			
Non Operating Activities									
	FY2024 Adopted Budget	FY2024 BR2 Proposed Budget	FY2025 Proposed Budget	Adopted LTFF - FY2025	Movement: FY25 Proposed Budget v FY24 BR2	Movement: FY25 Proposed Budget v. LTFF FY25	Movement: FY25 Proposed Budget v FY24 BR2	Movement: FY25 Budget v LTFF FY25	
Income									
Proceeds from Sale of Assets	50,000	80,000	50,000	50,000	(30,000)	-	-37.50%	0.00%	
Proceeds from the Sale of Motor Vehicles	-	12,500	-	-	(12,500)	-	-100.00%	0.00%	
Proceeds from Borrowings	2,115,000	2,115,000	2,113,500	2,050,000	(1,500)	63,500	-0.07%	3.10%	
Total	2,165,000	2,207,500	2,163,500	2,100,000	(44,000)	63,500	-5017.05%	3.02%	
Expenses									
Fleet Replacement Costs	2,000,000	3,996,463	2,113,500	2,065,970	(1,882,963)	47,530	-47.12%	2.30%	Replacement of 5 Trucks. Mix of replacement truck results in slight reduction on LTFF.
Motor Vehicle Replacement	40,000	40,000	60,000	50,000	20,000	10,000	50.00%	20.00%	
Office Furniture & Minor Tools	50,000	50,000	50,000	-	-	50,000	0.00%	0.00%	
Operations Office Upgrade	40,000	40,000	60,000	-	20,000	60,000	50.00%	0.00%	
Plant Replacement	25,000	25,000	25,000	58,000	-	(33,000)	0.00%	-56.90%	Consistent with recent year expenditure, no increase
Repayment of Borrowings - LGFA	1,944,096	2,086,042	2,081,320	2,050,759	(4,722)	30,561	-0.23%	1.49%	
Repayment of Borrowings - Leases	285,235	285,235	170,000	148,268	(115,235)	21,732	-40.40%	14.66%	Result of Lease Renewal and associated Accounting Standards
Total	4,384,331	6,522,740	4,559,820	4,372,997	(1,962,920)	186,823	-30.09%	4.27%	
Net Non-Operating Activities Result	(2,219,331)	(4,315,240)	(2,396,320)	(2,272,997)	1,918,920	(123,323)			

9.3: RISK MANAGEMENT POLICY AND STRATEGIC RISK REGISTER

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

Purpose of the Report

To provide the East Waste Board with an opportunity to review the newly developed draft *Risk Management Policy* (the Policy) and the Strategic Risk Register Summary prior to seeking the Boards approval to adopt the Policy.

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 – Risk Management Standards.

When the system was reviewed in late 2022 several key 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 East Waste Board meeting a recommendation was made and ultimately endorsed by the Board for East Waste administration to 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, East Waste administration has, with the assistance of LGRS:

- Provided training to the East Waste Management team which incorporates Managers, Coordinators and Team Leaders.
- Conducted workshop(s) with Staff, the East Waste 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 draft Risk Management Policy, Framework, Strategic Risk and Operational Risk Management Registers.

Both the draft Risk Management Policy and the Strategic Risk Management Summary were presented to the Audit & Risk Management Committee at the meeting held on the 21 February 2024 who endorsed the documents for presentation to the East Waste Board:

9.3 RISK MANAGEMENT POLICY AND STRATEGIC RISK REGISTER

Moved Mr P Di Iulio that the Audit and Risk Management Committee recommends that:

The East Waste Risk Management Policy, as presented in Attachment A, is endorsed for presentation to the East Waste Board; and,

The East Waste Strategic Risk Summary Document, as presented in Attachment B, is noted and endorsed for presentation to the East Waste Board.

Seconded Ms L Green

Carried

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 Board'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(s) with the Board and the Audit & Risk Management Committee 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 against the Risk Matrix and include risk ratings for:

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

In addition to capturing the Risks, the Consequences, the 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 Board's reference (**refer Attachment B**).

Recommendation

That the East Waste Board:

- 1. Adopts the draft *Risk Management Policy*, as presented in Attachment A; and**
- 2. Notes the East Waste *Strategic Risk Summary Document*, as presented in Attachment B.**

RISK MANAGEMENT POLICY



Type	Policy
Category	Risk Management
Policy Number	012
First Issued/Adopted	February 2024
Minutes Reference	
Review Period	36 months
Last Reviewed	New Document
Next Review	February 2027
Applicable Legislation	<ul style="list-style-type: none"> • <i>Local Government Act 1999</i> • <i>South Australian Work Health and Safety Act 2012</i> • <i>Civil Liability Act 1936</i> • <i>State Records Act 1997</i>
Related Documents	<ul style="list-style-type: none"> • AS ISO 31000:2018 Risk Management – Guidelines • East Waste Risk Management Framework • East Waste Risk Register(s) • LGAMLS Scheme Rules as gazetted July 2020
Consultation Undertaken	<ul style="list-style-type: none"> • Audit & Risk Committee
Responsible Officer	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) Reduction in strategic risks rated "extreme" and "high"
- b) Percentage of strategic risks within risk appetite
- c) Tangible improvement in risk maturity modelling

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

										Inherent Risk			Controls	Current/ Residual Risk			Forecast Risk			Additional controls			
Risk ID	Strategic Plan Reference	Risk Type	Risk Category	Risk Description	Consequence Type(s)	Risk Owner	Causes	Consequence	Likelihood	Inherent Risk Rating	Description	Consequence	Likelihood	Current Risk Rating	Consequence	Likelihood	Forecast Risk Rating	Further treatment required (if current/ residual risk rating is not acceptable)	Number of overdue actions	Reason for overdue actions	Comments		
SR1	All Objectives (specifically objective 5)	Strategic	Governance, Legal & Compliance	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.	Financial/ Infrastructure Legal/ Regulatory/ Policy People Reputation Environmental/ Cultural/ Site Disturbance Reputation	General Manager	1. Lack of consultation and engagement with Member Councils. 2. Lack of understanding of the strategic planning process. 3. Lack of an effective/coordinated framework to deliver on the various strategic/ operational plans and legislative reporting requirements - as well as delivering demonstrable customer outcomes. 4. Resistance to change at staff and community level - and an understanding across the community and Board Members (and within EW staff) of the reasons for change. 5. Challenges in understanding of 'discretionary' vs 'mandatory' requirements of East Waste (both external and internal). 6. Elections (State and Local) can affect implementation; Risk of political disruption to admin & operations. 7. Ill-defined Service Levels (external service delivery as well as internal activities). 8. Lack of ownership, 'buy-in' and understanding of strategic and business plans. 9. Lack of coordinated data/research/evidence to support decision making and determining specific strategies. 10. Chasing the 'shiny new' opportunity and diverting from approved strategy.	Major	Possible	Extreme	1. Induction/ briefings/ training to ensure that Management and Board have strong understanding and knowledge of LG Act 1999, LG Financial Regulations and East Waste Charter 2. Strategic Plan 10 year plan in place and reviewed as stipulated 3. Strong working relationship between East Waste Management and Board/ Committees 4. System of reporting to member councils 5. Budget linked to strategic and business plans.	Moderate	Possible	High	Moderate	Unlikely	Medium	1. Review of Strategic Plan 2. Development of Service Level Agreements with Member Councils	0	0	0		
SR2	Objective 5 (specifically 5.4)	Strategic	Governance, Legal & Compliance	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.	Financial/ Infrastructure Reputation Service Delivery Legal/ Regulatory/ Policy	General Manager	1. Lack of understanding/ knowledge/ skills (staff and Board level); 2. Lack of training; 3. Poor culture; 4. Lack of business strategy; 5. Organisational structure doesn't match business strategy; 6. Lack of performance review; 7. Lack of resourcing review; 8. Lack of risk reporting; 9. Lack of governance framework;	Moderate	Possible	High	1. Reporting structure, risk reporting and action framework adopted by Board 2. Board monitors risk management framework and reporting structure. 3. Restriction of \$ amount of variance to budget without Member Council consent. 4. Management and Board have full working understanding of Charter requirements, policy/ procedure requirements. 5. Robust recruitment process to ensure management have required experience. 6. Annual report. 7. Delegations documented & reviewed frequently. 8. Annual Executive Officer Performance reviews. 9. Suite of policy/ procedure which are reviewed/ updated as per schedule.	Moderate	Unlikely	High	Moderate	Unlikely	Medium	1. Policy framework review. 2. General Managers Performance Review 3. Employee Performance Reviews 4. Implementation of corporate values	0	0	0		
SR3	Objective 5 (specifically 5.4)	Strategic	Governance, Legal & Compliance	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.	Financial/ Infrastructure Reputation Legal/ Regulatory/ Policy	Manager Business Services	1. Inadequate oversight of compliance required in key functions; 2. Lack of resources; 3. The rate of legislative change; 4. Lack of understanding/ knowledge/ awareness of key legislative obligations; 5. Lack of documented processes/ documentation not reflecting legislation; 6. Lack of appropriate auditing; 7. The breadth & complexity of legislation;	Significant	Major	Extreme	1. Current Policies & Procedures in place which capture legislative obligations 2. External auditors audit in line with audit plan, with gaps identified and recommendations actioned within allocated timeframes 3. Updates received from LGA, WMRR, NVHR, ACOR & EPA which are forwarded to appropriate person and actioned 4. Training requirements (including induction) captured in the TNA 5. Training plan (linked to TNA) is updated in line with new/ updated legislative/ policy/ procedural requirements	Minor	Possible	Medium	Minor	Possible	Medium		0	0	0		
SR4	Objective 1, Objective 3	Strategic	Service Delivery	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.	Legal/ Regulatory/ Policy Service Delivery People	Manager Business Services	1. Significant change on an ongoing basis results in change fatigue; 2. A lack of alignment of the strategic and business planning processes; 3. A lack of translation of strategic plans throughout the organisation (line of sight); 4. Availability/ loss/ lack of resources (human and financial) to successfully implement any change programs required; 5. Variability in change management skills - impacts success of organisational change; 6. Lack of/ inadequate oversight to recognise that change is required; 7. Dramatic technological change that influences the waste collection industry;	Moderate	Possible	High	1. Current Policies & Procedures in place which capture legislative obligations (resulting in changes required) 2. Updates received from LGA, WMRR, NVHR, ACOR & EPA which are forwarded to appropriate person and actioned (including keeping abreast of advancing technologies) 3. Budget review process in place which considers upcoming change 4. Annual business plan is linked to budget 5. Resource commitment by Board and Management to understanding and updating knowledge of changing trends in industry 6. Ability and commitment by Board to changing operations to cope with technological changes	Minor	Unlikely	Low	Minor	Unlikely	Medium	1. Investigating the purchase of a rear lift electric truck.	0	0	0		
SR5	Objective 1	Strategic	Financial	Inefficient or inappropriate budget allocation may impact the delivery of key services and financial sustainability of the Authority	Financial/ Infrastructure Service Delivery Reputation	General Manager	1. Not recognising or responding to global/national/regional downturn; 2. Inability to increase revenue - loss of member council contract etc; 3. Breach / lack of adherence / inadequate financial controls and budgeting; 4. Unrealistic strategic / asset plans - not aligned to long term financial plan; 5. Lack of skills/ knowledge/ experience staff and/ or board members; 6. Not managing relationships with key contacts within member councils (loss of contract/member);	Major	Possible	Extreme	1. Long term financial plan aligned with Strategic direction. 2. Planning of asset replacement. 3. Robust financial reporting framework (legislation, policies - Treasury Management & Procurement, controls etc.) 4. Management and Board have full working understanding of budgeting/ financial requirements. 5. Robust recruitment process to ensure management have required experience. 6. Comprehensive and timely reporting of finances to Board and Audit & Risk Committee frequency.	Moderate	Unlikely	Medium	Moderate	Unlikely	Medium		0	0	0		
SR6	Objective 5 (specifically 5.3)	Strategic	People & Culture (incl. WHS)	East Waste are unable to attract and retain sufficient appropriately skilled staff and Board Member's to effectively deliver the breadth of services required in a timely manner.	People Service Delivery Reputation Financial/ Infrastructure Legal/ Regulatory/ Policy Environmental/ Cultural/ Site Disturbance	General Manager	1. Financial - not keeping up with wages/ not competitive in current market; 2. Workplace culture and reputation; 3. No having competitive employee benefits/ incentives; 4. Lack of skilled resource pool; 5. Not having flexible recruitment strategies; 6. No succession planning/ workforce in place; 7. Council elections - change to board members; 8. Limited control/ influence over Board appointments; 9. Contract positions may not supply ongoing employment security; 10. Current employment climate makes it difficult to attract/ retain staff; 11. HR issues being managed reactively, not proactively; 12. Limited ability for career progression	Significant	Very likely	Extreme	1. Current Enterprise Agreement in place. 2. Current arrangement in place with Recruitco and relationships with other recruitment companies. 3. Annual performance reviews. 4. Suite of documented (current) procedures in place. 5. Competitive pay rates. 6. Structure of East Waste with Member Councils provides more job security (ie not contracts based). 7. Staff wellbeing program(s) in place. (ie Healthy Lifestyles)	Significant	Certain to Occur	Extreme	Moderate	Unlikely	Medium	1. Develop workforce strategy which includes information on succession planning 2. Develop and promote organisational values 3. Performance review process - review and update to ensure relevant information is taken into account and documented 4. Review/ update PDs to ensure they reflect current/ adequate information	0	0	0		
SR7	All Objectives (specifically objective 5)	Strategic	Service Delivery	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.	Financial/ Infrastructure Service Delivery Environmental/ Cultural/ Site Disturbance Reputation Legal/ Regulatory/ Policy	Manager Operational Services	1. Pandemic; 2. Fire - losing assets (trucks/ building etc); 3. No BCP in place; 4. Lack of BCP testing and training; 5. Driver strike; 6. No workplace emergency management plan in place; 7. Bushfire (which affects people's ability to come to work); 8. Lack of staff who have experienced significant BCP/ emergency events; 9. Staff responsibilities in the case of an incident are not defined; 10. Staff are not trained appropriately in the case of an incident;	Major	Very likely	Extreme	1. Current BCP in place. 2. Current workplace EM Plan. 3. Current WEEPs in place 4. EBA with mediation framework contained within (untested at this stage) 5. Battery isolators on the trucks, trucks are empty each night 6. Security patrols in place 7. Staff training requirement captured in TNA and training delivered in line with the training plan 8. Staff PD's include responsibilities appropriate to their role - reviewed and kept current 9. Arrangements in place in EW and with member councils for changes in activity due to natural disasters.	Major	Very Likely	High	Moderate	Possible	High	1. Investigating opportunities for the minimising the risk of fire spreading between truck and other assets	0	0	0		
SR8	Objective 5 (specifically 5.1)	Strategic	People & Culture (incl. WHS)	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.	Financial/ Infrastructure Legal/ Regulatory/ Policy People Reputation /Cultural/ Site Disturbance Reputation	General Manager	1. Lack of WHS systems in place; 2. Lack of staffing/resources to implement systems (people and financial); 3. Lack of training; 4. Cultural opposition to implementation of WHS systems; 5. Increasing urban infill creating access issues for larger fleet; 6. Significant Depot/Truck fire; 7. Drug and alcohol issues; 8. Lack of fleet & Asset maintenance/repairs;	Significant	Very likely	Extreme	1. Implementation of robust WHS Management System. 2. TNA and training systems in place, including driver training. 3. Budget allocations to WHS, including staff resourcing. 4. Robust drug & alcohol testing process in place. 5. Staff have appropriate, current licences which are checked frequently for validity. 6. Staff medical assessment & monitoring program (check for fitness for work). 7. Fleet Maintenance Schedule (programmed Maintenance) 8. Asset Inspection Program	Major	Unlikely	High	Major	Unlikely	High	1. Workshoping psychosocial WHS regulations	0	0	0		
SR9	Objective 5 (specifically 5.2)	Strategic	People & Culture (incl. WHS)	Member Council exits from East Waste due to having stronger relationships with other similar organisations, leading to both reputational and financial damage. OR Weekend relationship with key stakeholders within Member Councils may lead to Member Council exiting East Waste, impacting East Waste's financial sustainability.	Financial/ Reputation/ Legal/ Cultural/ Service Delivery Reputation	General Manager	1. Member Council contact coming into Council with their own relationships with other provider and having influence over Council to change provider and exit East Waste; 2. Member Council contacts not understanding the value of, and the relationship with East Waste; 3. Lack of stakeholder engagement framework;	Moderate	Possible	High	1. Strategic /Annual Plans in place which helps to promote East Waste's value. 2. Annual Strategy day with all member Councils. 3. Annual financial reporting back to Councils. 4. Multiple contact points with Member Councils. 5. Quarterly data reporting provided to member Councils.	Moderate	Unlikely	Medium	Moderate	unlikely	Medium		0	0	0		
SR10	Objective 1	Strategic	Assets & Infrastructure	Existing assets fail to meet the minimum requirements for current operating needs and future growth.	Financial/ Infrastructure Reputation Service Delivery Legal/ Regulatory/ Policy	Manager Operational Services	1. Lack of Asset management plan/review of plan. 2. Ineffective maintenance of Assets. 3. Incorrect operation of Asset(s).	Major	Very likely	Extreme	1. Asset management plans 2. Programed Maintenance Schedule 3. Frequent asset inspections. 4. Defect reporting program	Major	Very Likley	Extreme	Major	Unlikely	High	1. Depot Lease Review	0	0	0		

9.4: AUDIT & RISK MANAGEMENT COMMITTEE INDEPENDENT MEMBER APPOINTMENT

REPORT AUTHOR: General Manager

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

Purpose of the Report

For the East Waste Board to consider the appointment of Ms Sandra Di Blasio, as an East Waste Audit & Risk Management Committee Independent Member, for a third consecutive two year period.

Background

The Audit & Risk Management Committee (ARC) comprises of three Independent Members (currently Chair Ms Emma Hinchey, Ms Linda Green and a current vacancy) and two Board Members (currently Independent Board Chair, Mr Fraser Bell and Mr Paul Di Iulio). Ms Sandra Di Blasio has previously served two (2) consecutive terms on the ARC).

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 (2) 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 Management 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 ARC meetings and workshops and brings significant value to the Committee with 25 years' experience in auditing, banking, finance, consulting, and risk management.

Having considered the matter at the meeting held 21 February 2024, the Audit & Risk Management Committee resolved:

9.4 INDEPENDENT COMMITTEE MEMBER APPOINTMENT

Moved Ms L Green that the Audit and 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.

Seconded Mr P Di Iulio

Carried

RECOMMENDATION

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

AUDIT & RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE



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

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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.

9.5: INDEPENDENT BOARD CHAIR & DEPUTY CHAIR REAPPOINTMENT

REPORT AUTHOR: General Manager
ATTACHMENTS: Nil

Purpose of the Report

To formally advise the East Waste Board of Mr Fraser Bell's reappointment as the Independent Chair of the East Waste Board and re-affirm the appointment of Mr Paul Di Ilulio as Deputy Chair.

Background

The East Waste Charter, at clause 21.1.2, 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).

With respect to the office of Deputy Chair, the East Waste Charter reads:

- 28.1 At all times, the Authority must have a Deputy Chair, who must be a Board Member.*
- 28.2 The Board appoints the Deputy Chair and may at any time remove from office the Deputy Chair and appoint a replacement Deputy Chair.*
- 28.3 The Deputy Chair's functions are:*
 - 28.3.1 to assist the Chair; and*
 - 28.3.2 to exercise the Chair's functions whenever the Chair is unable to do so.*
- 28.4 A person ceases to be Deputy Chair if they cease to be a Board Member.*

Mr Paul Di Ilulio has held the position of Deputy Chair for the past 10+ years and stepped into the Chair's role on a number of occasions.

Report

Ahead of the expiry of Mr Bell's second term, the East Waste 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 in the role as Independent Chair 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.

As noted in the background section of this report, the East Waste Board appoints the Deputy Chair. Mr Paul Di Ilulio has held the position of Deputy Chair for the past 10+ years. It is unclear when Mr Di Ilulio was last formally appointed by the East Waste Board. The position receives no remuneration.

RECOMMENDATION

That the East Waste Board:

- 1. Notes the absolute majority endorsement from the Member Councils of Mr Fraser Bell as Independent Chair of the East Waste Board for a further three-year period ceasing on 30 December 2027.**
- 2. Appoints Mr Paul Di Ilulio as Deputy Chair of East Waste through until 30 December 2027.**

9.6: REVIEW OF BULLYING AND HARASSMENT POLICY

REPORT AUTHOR: Manager Business Services

ATTACHMENTS: A: Draft Bullying and Harassment Policy

Purpose of the Report

For the East Waste Board to consider the adoption of the revised draft *East Waste Bullying and Harassment Policy* (the Policy).

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

East Waste 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 Boards reference, the changes to the policy have been tracked and are highlighted in red font (***refer Attachment A***). The Board will note that there have also been some formatting and punctuation updates to the Policy as well.

Recommendation

The East Waste Board adopt the revised Bullying & Harassment Policy, as presented in Attachment A.

BULLYING AND & HARASSMENT POLICY



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

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- 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:

- ~~c~~Creating a safe and respectful work environment.
- ~~p~~roviding adequate support to employees to complete tasks.
- ~~p~~roviding training and awareness programs to prevent bullying and harassment.
- ~~p~~roviding access to a free employee assistance program.
- ~~i~~nvestigating and addressing any reported incidents promptly and impartially. ~~and~~
- ~~t~~aking appropriate corrective actions in cases where bullying or harassment is substantiated.

Managers and supervisors are responsible for:

- ~~l~~Leading by example and promoting a respectful workplace culture.
- ~~a~~Addressing and preventing bullying and harassment in their teams.

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Bullying & Harassment Policy

- ~~r~~Responding to complaints promptly and taking appropriate actions ~~s~~ 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 ~~s~~
- ~~r~~Reporting any incident(s) of bullying or harassment to their Line Manager(s) ~~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.

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Bullying & Harassment Policy

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>

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9.7: SINGLE USE PLASTICS SUBMISSION

REPORT AUTHOR: Manager Business Services

ATTACHMENTS: A: Single Use Plastics Submission

Purpose of the Report

To provide the East Waste Board with a copy of East Waste's submission to the State Government's *Turning the Tide: Proposed Single-Use and Other Plastics Products Amendment Regulations 2024 - 2025 items*.

Background

After becoming the first state in Australia to ban single-use plastic bags in 2009 and prohibit single use plastic items like plastic straws and cutlery in March 2021, South Australia prohibited polystyrene items like cups, bowls, plates and 'clamshell' containers and all oxo-degradable products in March 2022. From 1 September 2024, further bans are planned to come into effect which include:

- Single use hot/cold beverage cups
- Single use plastic food containers
- Plastic bread tags
- Certain types of plastic shopping bags
- Plastic confetti; and
- More.

From September 2025 the following products are planned to be banned:

- Plastic produce stickers
- Plastic soy sauce fish
- Attached straws and cutlery; and
- Pre-packaged EPS containers (such as noodles).

Report

The State Government is seeking feedback on the draft regulations to implement the bans planned for 2024 and 2025, including some exemptions which are proposed. In response to the state government's request for feedback East Waste administration have provided a response acknowledging the positive steps that the government is taking as well as highlighting additional opportunities.

For the Boards reference a copy of the submission has been included with this report (refer **Attachment A**)

Recommendation

That the East Waste Board notes the *Turning the Tide: Proposed Single-use and Other Plastic Products Amendment Regulations – 2024 and 2025* submission, as presented in Attachment A.



30 January 2024

Attn: Single Use Plastic Regulations Consultation

Green Industries SA

GPO Box 1047

ADELAIDE SA 5001

GISA.sup@sa.gov.au

Dear Sir/Madam,

Turning the Tide: Proposed Single-use and Other Plastic Products Amendment Regulations – 2024 and 2025

East Waste commends the South Australian Government's continued leadership role in prohibiting problematic single use plastic items. East Waste strongly supports the legislative change which will see a range of items including thick plastic shopping bags, single use coffee cups and plastic lids, and expandable polystyrene trays phased out in September this year. These items continuously reoccur as contaminants at high rates in both our collected comingled recycling and organics streams and are extremely expensive for processors to manage.

For context, East Waste is a regional subsidiary of eight Councils, being Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood Payneham & St Peters, City of Prospect, City of Unley and the Corporation of the Town of Walkerville. On behalf of these Member Councils, East Waste manage approximately twenty five percent (25%) of metropolitan Adelaide's kerbside municipal waste, organics, and recycling with a modern fleet and shared services model and completes over 9 million kerbside bin collections every year. East Waste has long been involved in the waste industry with our origins commencing 95 years ago in 1928.

Our response provides a focus on single-use items that are problematic in terms of their recyclability as well as presenting issues with contamination of co-mingled recycling and green organics streams. Reducing contamination remains a key focus area for both East Waste and our Member Councils as highlighted in the Key Performance Indicators (KPIs) outlined in our Strategic Plan; *Reduce average contamination of kerbside co-mingled recycling stream to less than 7 percent (by weight)*.

East Waste has reviewed the proposed Single-use and Other Plastic Products Amendment Regulations for 2024 and 2025, focusing on the transition from single-use plastics to compostable and reusable alternatives. We present the following insights and recommendations for consideration.

1. **Supporting increased weekly FOGO collections and FOGO Recycling Goals by 2030:**

With East Waste's ambitious target of diverting 100 percent of total food waste separated collected and recycled by 2030, we are enthusiastic about the shift to compostable alternatives. This transition aligns with our commitment to support residents in diverting food and compostable packaging to FOGO streams.

1.1 The transition to certified compostable takeaway cups, containers, barrier bags, and shopping bags is anticipated to enhance our ongoing weekly FOGO collection trials in several ways, leading to increased diversion rates and reduced contamination from plastic items.

1.2 Compostable barrier bags and shopping bags offer convenient, easily accessible options for residents to dispose of food as well as garden materials in FOGO bins, supporting ongoing and planned trials.

2. **Addressing Contamination Challenges:**

East Waste and our Member Councils place a high priority on addressing contamination issues posed by single-use plastic items, including coffee cups, lids, plastic bags, takeaway containers, and EPS foam products. These items consistently contribute to contamination in co-mingled recycling and FOGO streams. For example, plastic packaged food is one of the main reoccurring contaminants found in FOGO bins.

2.1 Phasing out plastic takeaway food and drink packaging, barrier bags and shopping bags in favour of AS certified compostable alternatives aligns with our goal of reducing contamination and improving recyclability outcomes.

2.2 Proposing a ban on plastic produce stickers by September 2025 is also welcomed, as it will further minimise contamination issues in FOGO processing.

2.3 Support prioritising reuseable and returnable packaging program as detailed in Section 5.

3. **Infrastructure Enhancement for Successful Implementation:**

A critical consideration in the transition to compostable alternatives is the lack of infrastructure for FOGO collections in public spaces and education around contamination of the FOGO stream.

3.1 The current limited availability of green organics bins in public spaces, will mean that the majority of these products end up wasted in landfills at a cost to Councils and businesses.

3.2 Should compostable takeaway items be collected as landfill waste, there is a significant risk of triggering negative reactions from both businesses and consumers. Such an outcome could result in a substantial backlash and decline in engagement and commitment to proper recycling practices. Given the existing level of distrust within the community regarding recycling, the failure to collect compostable packaging in dedicated

FOGO bins for composting purposes may exacerbate this lack of trust. It is crucial to uphold transparency and adherence to recycling of resources.

3.3 Whilst the opportunity to dispose of the compostable packaging is facilitated through 'take home, take away' occurrences. There are no, or very few opportunities for people to dispose of these items correctly in the public domain.

3.4 From East Waste's experience, public place recycling does not work and results in extremely high levels of contamination. In implementing the ban, a number of complementary infrastructure enhancement actions need to be undertaken including support for Councils to install bespoke FOGO public place recycling opportunities, reverse vending machine considerations and heavy a public education campaign highlighting issues with public place contamination. Without these measures and others, a significant majority of the material will end up in the landfill stream.

4. **Education and Awareness Initiatives:**

A comprehensive education strategy is essential to ensure correct disposal practices and address common misconceptions about compostable items.

4.1 Clear and easily to interpret signage, point-of-sale information, and bin monitoring can aid in educating the public about proper disposal practices.

4.2 Collaboration with wholesalers is encouraged to disseminate information about compostable items and bans on plastic items (particularly plastic lids that are currently commonly used for compostable cups and containers) and ensure businesses make informed choices.

4.3 Heavy public education campaign highlighting issues with public place contamination of the FOGO system.

5. **Supporting and Prioritising Reusable and Returnable Packaging:**

Given persistent challenges with public place recycling, prioritising reusable and returnable packaging options is crucial. This will not only reduce issues with contaminated bins, but also the volume of waste generated, which is also a substantial issue for public place bins during the busy holiday season. Various successful reuse and return schemes, such as ECups Australia, Reusably, Green Caffein, ReCircle, Revolution Cup and Return, offer promising alternatives to disposable items.

5.1 East Waste has actively supported Councils in implementing reuse initiatives, such as the use of ECup Australia's reusable cups at Campbelltown's Moonlight Market events.

5.2 East Waste supports the Boomerang Alliance's call for a 30% national target for reusable packaging by 2030. Emphasizing the importance of refillable bottles, bulk dispensers,

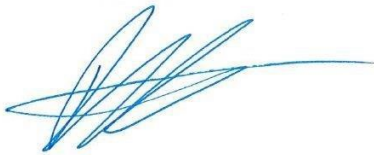
deposit return systems, and packaging take-back, such initiatives can significantly reduce pollution.

- 5.3 To enhance the effectiveness of BYO, refill, and return programs, we call for a mandated reuse and return scheme to assist business to 'do the right thing'. There are a number of these that operate successfully across the world. Incentives, such as refunds or reward systems, can further encourage participation in these initiatives.

East Waste acknowledges the positive strides towards more sustainable waste management practices with the proposed amendments. To ensure successful implementation, addressing infrastructure gaps, intensifying education efforts, promoting and supporting reusable alternatives are paramount. These recommendations aim to bolster the effectiveness of the proposed regulations and contribute to a more sustainable future.

Thanks again for the opportunity to comment and should you wish to discuss any element of this submission further, please don't hesitate to the undersigned at robg@eastwaste.com.

Yours sincerely,



ROB GREGORY
GENERAL MANAGER

9.8: ANNUAL REPORTING CALENDAR

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

Purpose of the Report

To provide the East Waste Board 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 East Waste 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 East Waste Board notes the East Waste *Annual Reporting Calendar*, as presented in Attachment A.

East Waste Annual Reporting Calendar
Board and Audit & Risk Management Committee
2024

	Feb	Apr/May	Jun	Sep	Nov
Audit & Risk Management Committee Meeting	Feb 21	Apr 23	Jun 19	Sep 17	Nov 13
Board Meeting	Feb 29	May 2	Jun 27	Sep 26	Nov 21

Meeting		Financial						Notes
B	A&R	Budget Review 2	✓					
B	A&R	Draft Annual Plan & Budget Assumptions	✓					
	A&R	Review of Proposed External Audit Work Plan						Deferred for 2024 until auditor Contract secured.
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						Will review timing once auditor contract secured.
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						

9.9: ANNUAL PLAN PROGRESS REPORT

REPORT AUTHOR: General Manager

ATTACHMENTS: A: Annual Plan Implementation Summary

Purpose of the Report

To provide the East Waste Board with an update on the implementation of the activities endorsed in the *East Waste 2023/24 Annual Plan*.

Background

At the February 2023 meeting the East Waste Board resolved (in part):

8.3 DRAFT 2023/24 ANNUAL PLAN & BUDGET

Moved Mr Dilena that the Board endorses the East Waste 2023/24 Annual Plan, as amended in Attachment A, to include additional information relating to the identification of capital, operating and recurrent expenditure associated with the actions outlined in the Plan.

Seconded: Mayor Holmes-Ross

Carried

Report

The attached matrix (refer Attachment A) provides a snapshot update as to the progress of the Annual Plan activities as of 20 February 2024.

This is a standing item on the Board Agenda.

Recommendation

That the East Waste Board receive and note the Annual Plan Progress Report.

Annual Plan Implementation Summary Matrix

NO.	ACTIVITY/PROJECT	OVERVIEW	STRATEGY	MAIN KPI TARGET	STATUS UPDATE
DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES					
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 work with the respective Councils in a bid to secure these services.	1.1	Vision Target	Opportunities investigated as they arise.
2	Investigate opportunities outside of existing Member Councils.	When potential opportunities arise, East Waste will investigate service provision to non-member Councils where value to existing Members can be realised.	1.1	Vision Target	Opportunities investigated as they arise.
3	Undertake a review of Business Facilities	East Waste currently leases Depot facilities at 1 Temple Court Ottoway. Ahead of the lease expiration, completion of a business case covering a review of existing arrangements, future needs and growth is appropriate.	1.3	Vision Target	Refer Report 10.2. Presentation of draft report to Board and Member Council CEOs undertaken November 2023.
4	Establish Service Level Agreements	The establishment of Service Level Agreements (SLA) with each Member Council will better clarify roles and responsibilities across the range of delivery areas.	1.5	Vision Target	Consultant engaged and draft SLA being developed. City of Unley to support drafting template SLA..
5	Increase Customer Engagement Opportunities	Further enhancement of customer access and engagement through online service portals for the booking of key East Waste services.	1.5	Vision Target	Language Translation Application has been built into the website which allows users to translate the website content into 11 separate languages at the click of a button. Additional enhancements added to self service portal including better address recognition and fixing hard waste entitlements. Accessibility menu functionality added to website to enable greater inclusion for

MAXIMISE SOURCE SEPARATION & RECYCLING					
4	Continue to advance a broadscale 'Choice & Flexibility model.'	Secure and deliver at least one 'Choice & Flexibility' trial with a Member Council with a view to enhancing knowledge on a full roll out for all Member Councils.	2.1	At least 75% of kerbside material separately collected & recycled 100% of food waste separately collected and recycled.	Ongoing - City of Prospect 6month trial successfully commenced on 14 September and performing significantly above industry benchmarking. Adealide Hills Council trial (x3) commenced October 2023. Campbelltown City Council - extensive support work provided, scheduled to commence April 2024.
5	Investigate options for identified problematic waste (ie. soft plastics) and the role East Waste can play in providing viable solutions for the community	There are several problematic waste streams and/or infant or proposed programs to address the problem. This project will investigate key issue waste streams and determine the best role East Waste can play in supporting, promoting, or implementing.	2.1	At least 75% of kerbside material separately collected & recycled 100% of food waste separately collected and recycled.	Ongoing - Submission to State Government's Single Use Plastic Bill (Refer Report 9.7) Response to small electrical items and Solar PV paper submitted.
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 4 years, refine and deliver the ongoing successful "Why Waste It?" program.	3.2	Vision Target	Why Waste it program is underway with attendance at schools / community events and social media. KESAB and Ozharvest have been engaged to deliver newly developed schools education program and have commenced works with schools located with member councils areas.
7	Household Reporting	Utilising the latest proven technology, determine if individual household reporting, on key waste metrics can be collected and efficiently distributed to householders in a bid to improve awareness and landfill diversion.	3.2	Vision Target	Ongoing iussue with access and integrity of data from truck. Project unlikely to be completed.
HELP DRIVE A LOCAL CIRCULAR ECONOMY					

8	Engage with Recycling and Organics Processors to identify research, markets and opportunities for the strengthening of circular economy opportunities	Through contracts with two proactive Material Recovery Facilities and a long-standing relationship with Jeffries, an opportunity exists to maximise local reuse opportunities. This project will investigate new and existing opportunities and pathways to adoption by East Waste and Member Councils.	4.4	Vision Target	Underway with recycling processors
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9	Fleet Replacement	In line with the Long Term Financial Plan, undertake the replacement of five (5) collection vehicles.	5.4	Provide Leadership	Remaining three (3) trucks to be delivered by 31 March 2024.
10	Enterprise Agreement	Negotiate Enterprise Agreement for Operational Staff.	5.3	Provide Leadership	Negotiations commenced.
11	WHS System Responsibility and Accountability	Work Health & Safety Management System Responsibility and Accountability were identified as an area for improvement within the recent LGRS risk audit. East Waste will review current relevant WHSMS responsibilities and accountabilities and where required, implement improvements to ensure greater Organisational awareness and commitment.	5.1	Provide Leadership	LGRS Action plan was 100% completed and delivered in September 2023. New action plan is now currently underreview by LGRS and awaiting feedback/adoption. The new plan focuses on improving staff/contractor inductions.
12	Risk Mitigation & Governance	Review key finance and governance systems, and processes to identify one or more of; <ul style="list-style-type: none"> •Process efficiency; •Process integrity; •Improved governance; and •Knowledge improvement & retention. 	5.4	Provide Leadership	Strategic Risk register and Policy have been developed and are being presented at the February 2024 Board Meeting. The draft strategic register includes 10 strategic risks and includes consequences, controls. Future controls in addition to the current and future risk ratings.
13	Implementation of Service Vision, Values and Standards.	Generate and implement across the Organisation a tailored Service Vision, Values and Standards framework, that drives a clear vision, consistency and ultimately an enhanced customer experience	5.3	Provide Leadership	The leadership team have workshopped a set of draft values and and continuing to refine and develop the associated behaviours that align to to the draft values prior to consultation/engadgement project with staff.

9.10: NATIONAL COMPETITION POLICY STATEMENT

REPORT AUTHOR: Manager Business Services
ATTACHMENTS: A: National Competition Policy Statement

Purpose of the Report

To seek the East Waste Board's endorsement of the revised East Waste *National Competition Policy Statement*.

Background

Clause 36 of the East Waste Charter requires East Waste to have a current National Competition Policy Statement at all times, if it is undertaking Non-core Activities:

PART 10—COMPETITIVE NEUTRALITY

36. COMPETITIVE NEUTRALITY

36.1 For the purposes of Schedule 2, Clause 32 of the Act, the Authority is not involved in a significant business activity in undertaking its Core Activity.

36.2 In respect of any Non-core Activity that is a significant business activity, the Authority must at all times have current a National Competition Policy Statement in relation to competitive neutrality which it will adhere to in undertaking that Non- core Activity.

The East Waste Charter provides a definition of both Core and Non-Core Activities as outlined in the below extract:

Core Activity means activities associated with the collection, recycling and/or disposal of waste along with community behaviour change and ancillary services.

Non-core Activity means an activity that is not a Core Activity.

East Waste does not currently carry out any Non-core Activities. Notwithstanding, opportunities may arise in the future where East Waste tenders for work deemed to be a Non-core Activity. As such it is appropriate to ensure we have the appropriate framework current and in place.

The National Competition Policy Statement (NCPS) effectively prescribes when the requirements of the Clause 7 Statement (*Revised Clause 7 Statement on the Application of Competition Principles to Local Government under the Competition Principles Agreement*) are to be applied and how.

The concept of competitive neutrality is that an organisation's market competitiveness should not be unfairly strengthened or weakened on account of its public sector ownership. Competitive neutrality concerns exist where all the following conditions apply:

- a difference exists between a public sector business and a private sector business providing a particular good or service; and
- the difference (for example exemption from certain taxes) is due solely to the government ownership of the public sector organisation; and
- the difference constitutes an advantage or disadvantage for the public sector organisation in providing the good or service in the market.

For East Waste this only applies to works which are under the Charter listed as Non-core Activities. Essentially this means any work that we conduct, outside of existing Member Councils (i.e. Contract work). Currently East Waste does not undertake any Non-core Activities and as such the statement has no effect.

A number of principles are required to trigger competitive neutrality, and these are detailed within the Policy Statement. Most significantly, is whether the activity is listed as a Significant Business Activity (refer Attachment A, pg.4). East Waste has the discretion to determine whether a business activity is a 'significant business activity', taking into account a number of factors. As an example, a business activity can be categorised as a significant business activity if it has an annual revenue in excess of \$2 million or employing assets in excess of \$20 million. Should a business activity satisfy this financial threshold (or any of the other factors), it would be a significant business activity to which the principles of competitive neutrality apply.

At this point, East Waste then has the discretion to determine, based off a number of cost-benefit factors, whether a method of compliance is required to be implemented to ensure there is competitive neutrality.

During the Audit & Risk Management Committee meeting held on the 14 November 2023 the Committee considered a report regarding the Policy Statement and made the following recommendation:

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

The draft National Competition Policy Statement was presented at the November 2023 East Waste Board Meeting where the Board resolved:

9.4 NATIONAL COMPETITION POLICY STATEMENT

Moved Mayor Jones that the National Competition Policy Statement be revised, in line with the East Waste Charter and presented at the February 2024 Board Meeting.

Seconded Cr Clutterham

Carried

Report

Following the above-mentioned Board resolution East Waste administration have updated the draft National Competition Policy Statement to reference East Waste Charter when defining Core and Non-Core Activities to ensure greater clarity.

For the Board's reference the revised National Competition Policy is attached to this report and includes track changes in red font (refer **Attachment A**)

Recommendation

That the East Waste Board endorse the revised National Competition Policy Statement, as presented in Attachment A.

NATIONAL COMPETITION POLICY STATEMENT



Type	Governance
Category	Finance
First Issued/Adopted	April 2021
Minutes Reference	
Review Period	36 months
Last Reviewed	N/A November 2023 February 2024
Next reviewed	April 2024 November 2026 February 2027
Applicable Legislation & Documents	<ul style="list-style-type: none"> • <i>Local Government Act 1999</i> • <i>Government Business Enterprises (Competition) Act 1996 (SA)</i> • <i>Revised Clause 7 Statement on the Application of Competition Principles to Local Government under the Competition Principles Agreement</i> • Competition Principles Agreement – 11 April 1995 (As amended to 13 April 2007)
Related Documents	<ul style="list-style-type: none"> • East Waste Charter • East Waste Strategic Plan 2030 • East Waste Long Term Financial Plan
Consultation Undertaken	Audit & Risk Management Committee
Responsible Officer	Manager, Corporate Services Business Services

SIGNED:

[General Manager](#)

[Date:](#) / /

.....

[Chairperson](#)

[Date:](#) / /

Purpose

This *National Competition Policy Statement* (NCPS) is implemented for the purposes of Section 36.2 of the *Eastern Waste Management Authority's Charter* (~~gazetted~~ endorsed 26 September 2017 28 June 2022).

The object of this NCPS is to outline when the requirements of the Clause 7 Statement apply to East Waste and how East Waste will apply the principles of competitive neutrality.

Interpretation

Act means the *Government Business Enterprises (Competition) Act 1996* (SA).

Clause 7 Statement means the Revised Revised -Clause 7 Statement on the Application of Competition Principles to Local Government under the Competition Principles Agreement.

Constituent Council means at any time a constituent council in relation to East Waste and on the date of publication of the *Eastern Waste Management Authority's Charter* in the South Australian Government Gazette means Adelaide Hills Council, City of Burnside, City of Campbelltown, City of Norwood Payneham and St Peters, City of Mitcham, City of Prospect, City of Unley and Corporation of the Town of Walkerville.

Core Activity means activities associated with the collection, recycling and/or disposal of waste along with community behaviour change and ancillary services, produced within the area of one or more of the Constituent Councils. As defined in the East Waste Charter.

CPA means the Competition Principles Agreement – 11 April 1995 (As amended to 13 April 2007).

East Waste means the Eastern Waste Management Authority.

Non-Core Activity ~~means an activity that is not a Core Activity.~~ As defined in the East Waste Charter.

NCP means National Competition Policy.

NCPS means this National Competition Policy Statement.

NCP Obligation

Clause 7 of the CPA requires States and Territories to apply the obligations in the CPA to Local Government. The South Australian Government has passed the Act and issued the Clause 7 Statement setting out the application of competition principle to Local Government.

Clause 32, Schedule 2 to the *Local Government Act 1999* provides:

32 - Principles of competitive neutrality

If a regional subsidiary is declared by its charter to be involved in a significant business activity, the charter must also specify the extent to which the principles of competitive neutrality¹ are to be applied to the activities of the subsidiary and, to the extent that may be relevant, the reasons for any non-application of these principles.

Note - 1 See Part 4 of the Government Business Enterprises (Competition) Act 1996

Competitive Neutrality

The concept of competitive neutrality is that an organisation's market competitiveness should not be unfairly strengthened or weakened on account of its public sector ownership.

Competitive neutrality concerns exist where all the following conditions apply:

- a difference exists between a public sector business and a private sector business providing a particular good or service; and
- the difference (for example exemption from certain taxes) is due solely to the government ownership of the public sector organisation; and
- the difference constitutes an advantage or disadvantage for the public sector organisation in providing the good or service in the market.

Notwithstanding the above, there will remain competitive advantages and disadvantages that exist between public and private sector organisations, such as workforce skills and managerial competence which fall outside the ambit of competitive neutrality.

Examples of potential competitive advantages a public sector organisation may receive include (but are not limited to):

- an operational structure that does not separate commercial and non-commercial activities;
- being able to operate without the pressure of business risk e.g. no fear of liquidation;
- exemptions from various government taxes, such as goods and services tax, payroll tax, fringe benefit tax, land tax and council rates;
- access to cheaper finance; or
- exemption from certain legislation that only applies to private sector organisations.

Examples of potential competitive disadvantages a public sector organisation may receive include (but are not limited to):

- restrictions on financial structure and financial management which have no equivalent in the private sector;
- less flexibility or discretion in managing operations arising from the policies and/or practices of central or public-sector wide supervisory agencies; or
- provision of non-commercial goods and/or services which it would not otherwise provide, at the direction of the government without compensation.¹

¹ Department of Treasury and Finance South Australia, A Guide to the Implementation of Competitive Neutrality Policy, 2010.

Competitive neutrality requires these publicly owned businesses to be subject to the same rules and regulations as private businesses, including the application of similar costs for taxes and borrowings.²

The principles of competitive neutrality are defined in the Act as:

'Principles designed to neutralise any net competitive advantage that a [State] government or local government agency engaged in significant business activities would otherwise have, by virtue of its control by the [State] government or local government, over private businesses operating in the same market.'

Business Activity

Competitive neutrality principles should be applied, where appropriate, to a significant business activity carried out by a council. Whether a business activity is significant business activity will depend on its size and influence in the relevant market.³

Pursuant to Section 5.1 of the Clause 7 Statement, a business activity is defined as follows:

A business activity includes any activity undertaken:

- (a) *which falls within the Australian Bureau of Statistics classification of 'Public Trading Enterprise' and 'Public Financial Enterprise'; or*
- (b) *where:*
 - (i) *the activity is primarily involved in producing goods and services for sale in the market; and*
 - (ii) *the activity has a commercial or profit-making focus; and*
 - (iii) *there is user charging for goods and/or services; and*
 - (iv) *the activity is not primarily funded from rate or grant revenue; or*
- (c) *where the local government agency submits a tender as part of a tendering process in competition with the private sector.*

For the purposes of Section 5.1(a) of the Clause 7 Statement, the following definitions apply to the terms contained therein (as defined in Appendix 1 of the Clause 7 Statement):

- *Public trading enterprises - Commonwealth, State/Territory and local government undertakings which aim at covering most of their expenses by revenue from sales of goods and services, including major commodity marketing authorities.*
- *Public financial enterprises - Commonwealth, State/Territory and local government bodies primarily engaged in financial transactions in the market involving both incurring liabilities and acquiring financial assets.*

² Government of South Australia, Revised Clause 7 Statement on the Application of Competition Principles to Local Government under the Competition Principles Agreement, 2002.

³ Government of South Australia, Revised Clause 7 Statement on the Application of Competition Principles to Local Government under the Competition Principles Agreement, 2002.

Section 5.1 of the Clause 7 Statement provides two exceptions from the definition of business activity:

... an activity will not be a business activity if:

- (d) *it provides goods or services to the local government agency and for reasons of policy or law there is no competition with alternative suppliers; or*
- (e) *it is clear that the intention of the local government agency is that the activity's predominant role is regulatory or policy-making, or where the achievement of community benefits is the main priority of the activity.*

East Waste will review each Non-Core Activity it undertakes to determine whether it satisfies one (or more) of the three requirements of a business activity pursuant to Section 5.1(a) – (c) of the Clause 7 Statement. Following this review:

- in the event that one (or more) of the three requirements of a business activity applies to a Non-Core Activity, East Waste will then determine whether that Non-Core Activity fall within one (or more) of the two exceptions pursuant to Section 5.1(d) – (e) of the Clause 7 Statement;
- if the Non-Core Activity falls within one (or more) of the two exceptions, the Non-Core Activity will not be deemed a 'business activity' and no further action will be taken;
- if the Non-Core Activity does not fall within one (or more) of the two exceptions, the Non-Core Activity will be deemed a 'business activity'. East Waste will then determine whether the Non-Core Activity is a 'significant business activity'.

Significant Business Activity

East Waste will determine whether or not a business activity is a 'significant business activity' to which the principles of competitive neutrality apply. In making its determination, East Waste will take into account the following factors (pursuant to Section 5.1 of the Clause 7 Statement):

- the intent of National Competition Policy;
- whether the business activity possesses sufficient market power to create a competitive impact in the market that is more than nominal or trivial;
- whether the size of the business activity relative to the size of the market as a whole is more than nominal or trivial.

Significant business activities are categorised as follows:

Category 1: business activities with an annual revenue in excess of \$2 million or employing assets in excess of \$20 million.

Category 2: all other significant business activities.

East Waste will determine whether a Non-Core Activity, that is a business activity, is also a 'significant business activity' for the purposes of Section 5.1 of the Clause 7 Statement in accordance with the following:

- if a Non-Core Activity is not a significant business activity, the competitive neutrality principles will not apply to that Non-Core Activity and no further action will be taken; or
- alternatively, if East Waste determines that a Non-Core Activity is a significant business activity, then the competitive neutrality principles will apply and East Waste will consider the competitive neutrality measures.

COMPETITIVE NEUTRALITY IMPLEMENTATION

Methods of compliance

Competitive neutrality can be achieved through the implementation of one of the following methods:

- corporatisation;
- commercialisation, or;
- cost reflective pricing.

East Waste acknowledges that whether or not a method is implemented will depend on whether the benefits to the public outweigh the costs of the implementation. Further, the appropriate method to be applied to a significant business activity will depend on a number of cost-benefit factors including:

- the costs and benefits of implementation;
- the organisational context of the activities exposed to competition;
- broad economic and regional development considerations;
- the level of resources used in the supply of the good or service;
- impact on competitors and the local community; and
- any special requirement such as increased accountability or a greater emphasis on efficiency.⁴

East Waste may obtain expert economic and financial advice to ensure the extent of implemented method is sufficient to achieve competitive neutrality.

⁴ Government of South Australia, *Revised Clause 7 Statement on the Application of Competition Principles to Local Government under the Competition Principles Agreement*, 2002.

Corporatisation

Corporatisation will generally involve the adoption of a corporate model (which may be in relation to the significant business activity) (a separate legal entity). The new entity will be characterised by:

- clear and non-conflicting objectives;
- managerial responsibility, authority and autonomy;
- effective performance monitoring; and
- effective reward and sanctions related to performance.

Commercialisation

Commercialisation means the application of commercial practices to the significant business activity without requiring establishing a separate legal entity. A range of practices for the purposes of commercialisation (as prescribed in Section 4.2 of the Clause 7 Statement), can be implemented including:

- the clear definition and delineation of commercial and non-commercial activities, generally through a business plan;
- separate accounting for and funding of non-commercial activities;
- clear commercial performance targets;
- the separation of regulatory functions from any commercial activity;
- the valuation of all assets used in the specific business activity on a deprival value basis;
- the determination of an appropriate return on investment based on the assets employed in the business activity;
- the application of a tax equivalent regime;
- the application of debt guarantee fees;
- clear reporting requirements;
- separate financial recording and reporting; or
- arrangements for the allocation of 'profits' from the business activity.

Cost Reflective Pricing

Cost reflective pricing is the process of ensuring goods and services of a significant business activity fully reflect the costs incurred in their production or provision.

If cost reflective pricing is implemented, the price will be calculated to take into account (in accordance with Section 4.3 of the Clause 7 Statement):

- the actual costs of providing the good or service on a full-cost basis;
- the cost advantages of local government ownership (e.g. non-payment of taxes, lower cost of finance, mix of commercial and non-commercial activities, exemption from the

operation of legislation);

- the cost disadvantages of local government ownership (e.g. increased accountability and administration, higher award rates or costs associated with enterprise agreements, higher superannuation contributions); and
- return on investment and dividend payments to local government owners.

Complaints

Affected persons may complain if East Waste determines not to apply (or allegedly misapplies) the principles of competitive neutrality. Complaints can be made either:

- pursuant to the Act, to the Minister responsible for the Act (namely, the Premier); or
- pursuant to Section 6 of the Clause 7 Statement, addressed to the Competitive Neutrality Complaints Secretariat in the Department of Premier and Cabinet, 200 Victoria Square, Adelaide, SA 5000.

The complaint will then be referred to East Waste for investigation, response and possible resolution in accordance with the *East Waste Complaints Handling Policy*.

Annual report

East Waste will include any significant business activity in its Annual Reports in accordance with Section 7 of the Clause 7 Statement. The following information in respect of any significant business activity will be, where relevant, summarised and included in the Annual Reports:

- the commencement or cessation of significant business activities controlled by East Waste;
- the competitive neutrality method of compliance applied to each significant business activity controlled by East Waste; and
- complaints received alleging a breach of competitive neutrality principles by East Waste.

END.