



Eastern Waste Management Authority Ordinary Board Meeting

Agenda

Thursday 27 June 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 27 June 2024 commencing at 5:30pm.

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 as important to the living Kurna people today.



Agenda

Eastern Waste Management Authority Ordinary Meeting of the Board of Management

Meeting to be held on Thursday 27 June 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. Declarations of Interest

If a Board Member has an interest in a matter before the Board, they are asked to disclose the interest to the Board and provide full and accurate details of the relevant interest. Members are reminded to declare their interest before each item.

5. Confirmation of the Minutes

Recommendation: 1. That the Minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on held on 2 May 2024 be confirmed as a true and correct record.

6. Matters arising from the Minutes

7. Questions Without Notice

8. Presentations

- 8.1 Service Level Agreements Update
- 8.2 Annual Education Summary

9. Reports

- 9.1 Annual Business Plan and Budget Adoption Page 5
- 9.2 Interim Audit Report Page 41
- 9.3 Draft Internal Audit Charter Page 65
- 9.4 Annual Review of Items Held in Confidence Page 71
- 9.5 East Waste Strategic Plan Review - Next Steps Page 79
- 9.6 Review of the Sexual Harassment Policy Page 82
- 9.7 Summary of General Manager Performance Indicators Page 91
- 9.8 Information Report for June 2024 Page 95

10. Confidential Reports

- | | | |
|------|---------------------------------------|----------|
| 10.1 | Tender for Bin Supply and Maintenance | Page 116 |
| 10.2 | Supply Of Compostable Bags | Page 127 |

11. Other Business

12. Next Meeting of the Board

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

Thursday 26 September 2024, at the Mayor's Parlour, City of Norwood, Payneham & St Peters,
175 The Parade, Norwood.

13. Closure of Meeting

9.1 Annual Business Plan & Budget Adoption

Report Author General Manager

Attachments A: 2024/25 Annual Plan
B: Member Council Consent

Purpose and Context

To provide the East Waste Board with a copy of Member Council feedback on the draft *East Waste 2024/25 Annual Plan* and draft budget and provide a recommendation to the Board for endorsement.

Recommendation

That the East Waste Board:

- 1. Adopts the 2024/25 Annual Business Plan and Budget, inclusive of all projects and expenditure, as presented in Attachment A.***
- 2. Authorises East Waste to apply and borrow funds up to \$2,309,000 for the budgeted replacement of up to five (5) Collection Vehicles as identified within East Waste’s Fleet Asset Management Plan 2020-2030, the replacement of operational motor vehicles and minor facility improvements.***
- 3. The Board authorises the Chair and General Manager to execute required loan documentation and the affixation of the common seal on behalf of East Waste for borrowing undertaken in the 2024/25 financial year.***

Strategic Link

Objective: 5. Provide Leadership

Strategy: 5.4 Quality & Transparent Corporate (Governance & Finance) activities.

Background

Section 51 of the Eastern Waste Management Authority Charter (Charter) requires the Authority to have an Annual Plan which supports and informs its Budget. At the meeting held 21 March 2024, the East Waste Board resolved:

5.1 DRAFT 2024/25 ANNUAL PLAN & BUDGET

Moved Mr S Dilena

- 1. That the East Waste Board, resolves to:***

2. *Endorse the East Waste 2024/25 Annual Plan, as presented in Attachment A, with a revised project list and financials, consistent with Option 5 outlined in the above report and with the Carbon Accounting Project reinstated;*
3. *Adopt the associated draft 2024/25 budget with revised financials, consistent with Option 5 as presented in the above report, plus an additional \$25,000 for the reinstatement of the Carbon Accounting project;*
4. *Authorise the General Manager to distribute to each Member Council for review and comment, the Draft 2024/25 Annual Plan, as presented (and revised) in Attachment A, along with the proposed fees.*

Seconded Cr T Jennings

Carried

The Annual Plan and Budget (proposed fees – Section 53 of the Charter) was subsequently distributed to Member Councils for their review prior to the mandated 31 May timeframe (Section 52.3 of the Charter).

Discussion

The draft 2024/25 Annual Plan, inclusive of Financial Statements is presented in full in Attachment A (refer Attachment A). No amendments have been made to the Activities and Projects proposed, or the endorsed budget of the Annual Plan as a result of the Member Council review process. Since the issuing of the draft, there have been no events arise or known future activities that are likely to impact the finances which will result in significant changes to the budget.

The wording of the Executive Summary has been amended to better reflect the current positioning and understanding of the proposed kerbside waste management legislation, however this does not materially change the Plan.

Consent of draft 2024/25 Annual Plan

As per Clause 52.3 of the Charter, Member Councils only consent to the Annual Plan, not their fees and charges, albeit the fees and charges form part of the financial statements contained within the Annual Plan. All Member Councils have consented to the Annual Plan (refer Attachment B for a copy of Member Council letters), with specific or related feedback associated with the Plan being captured in Table 1 below.

Table1. Member Council Feedback Relating to the draft 2024/25 Annual Plan

Council	Comment
City of Burnside	Requests the 2024/25 East Waste Annual Plan be amended to delete the sentences commencing “Recent announcements by the State government” and ending with “has now been contracted significantly” (page 4, paragraph 2 of the draft plan – page 35 of this Agenda).
City of Mitcham	That Council requests East Waste to provide a report on a six (6) monthly basis regarding progress towards one of the five (5) key objectives outlined in its 2030 Strategic Plan, that is, actions being taken to deliver cost effective and efficient services.
Town of Walkerville	The Council's Audit & Risk Committee also considered the draft budget at its meeting held on 20May 2024. It was suggested by the Audit & Risk Committee that attendance by a representative from East Waste at future budget meetings will assist the Committee in understanding details and assumptions used in formulating budgets, such as unit rates etc.

The City of Burnside request is addressed through the amendment Administration has made to the Executive Summary and is the only feedback received specific to the plan. The City of Mitcham have requested a biannual report on progress towards the Strategic Plan and Administration will consider the best approach to achieve this.

The Audit & Risk Management Committee considered the East Waste 2023/24 Annual Plan at the meeting held 19 June 2024 and resolved:

9.1 2024/25 Draft Annual Business Plan & Budget Recommendation

Moved Mr P Di Iulio that the Audit & Risk Management Committee notes the approval of all Member Councils, the feedback provided and recommends the draft 2024/25 Annual Plan and Budget, as presented in Attachment A, is presented to the Board for endorsement.

Seconded Ms L Green

Carried

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 adopting the Annual Plan is unclear due to a planned review of the Environment Protection Policy and possible constraints 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...



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 this, whilst maintaining a high-level and high-quality service. This has been clearly

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

The success of implementation of the East Waste-led FOGO trails, coupled with the preliminary results has generated significant interest and excitement amongst several other Member Councils. East have developed a weekly FOGO collection framework which demonstrates an ability to significantly increase diversion and has a high level of community acceptance. The proposed review of the Environment Protection Policy by the State Government and the extent to which constraints are placed on kerbside collection will impact on this and at the time of adoption remain unclear.

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 \$0.025k
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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 \$0.195M
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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 to Member Councils has been reduced in the FY25 year through a Board decision to not apply the 1% common Fleet Costing Surplus. While this provides relief to Member Council fees, it results in the FY26 budget process commencing in a deficit position (assuming all costs and income remain equal). The net result is an increase marginally higher than CPI, which is unusual for East Waste, however is 1.2% lower than 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	17,586,287	17,577,708	8,579
Recurrent - Corporate Administration	426,421	-	426,421
Service Initiatives	-	435,000	(435,000)
Capital Program	-	2,308,500	(2,308,500)
Total	18,012,708	20,321,208	(2,308,500)

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		Adopted	BR2	Proposed
Actuals		Budget		Budget
\$'000		\$'000	\$'000	\$'000
	Income			
21,188	User Charges	22,747	22,747	23,704
46	Investment income	20	55	48
-	Grants, subsidies and contributions	50	50	-
1,078	Other	1,322	1,372	1,552
22,312	Total	24,139	24,224	25,304
	Expenses			
7,476	Employee Costs	7,675	7,885	8,865
12,184	Materials, contracts & other expenses	13,275	13,514	13,118
2,108	Depreciation, amortisation & impairment	2,657	2,566	2,707
354	Finance costs	384	430	694
22,122	Total	23,991	24,395	25,384
190	Operating Surplus / (Deficit)	148	(171)	(80)
143	Asset disposals & fair value adjustments	18	60	80
333	Net Surplus / (Deficit)	166	(111)	-
-	Other Comprehensive Income	-	-	-
333	Total Comprehensive Income	166	(111)	-

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	2,508
746	Trade & Other Receivables	935	746	746
43	Inventory	50	43	43
4,742	Total	3,986	2,889	3,297
	Non-Current			
9,510	Infrastructure, Property, Plant & Equipment	10,490	11,066	13,721
9,510	Total	10,490	11,066	13,721
14,252	Total Assets	14,476	13,955	17,018
	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	11,187
136	Provisions	229	196	256
8,626	Total	8,631	8,381	11,443
13,069	Total Liabilities	13,035	12,883	15,946
1,183	Net Assets	1,441	1,072	1,072
	Equity			
1,183	Accumulated Surplus	1,441	1,072	1,072
1,183	Total Equity	1,441	1,072	1,072

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	25,256
46	Investment Receipts	20	55	48
	Payments			
(7,361)	Employee costs	(7,565)	(7,765)	(8,745)
(12,397)	Materials, contracts & other expenses	(13,275)	(13,514)	(13,118)
(304)	Interest Payments	(384)	(433)	(683)
2,439	Net Cash Flows from Operating Activities	2,865	2,462	2,758
	Cash Flows from Investing Activities			
	Receipts			
145	Sale of Replaced Assets	50	92	80
	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)	(2,229)
	Cash Flow from Financing Activities			
	Receipts			
4,525	Proceeds from Borrowings	2,115	2,115	2,114
	Payments			
(271)	Repayment of Lease Liabilities	(285)	(285)	(170)
(1,815)	Repayment of Borrowings	(1,944)	(2,086)	(2,065)
2,439	Net Cash Flow from Financing Activities	(114)	(256)	(122)
1,952	Net Increase (Decrease) in cash held	646	(1,853)	408
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	2,508

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	\$'000
850 Balance at Start of Period - 1 July	1,275	1,183	1,072
333 Net Surplus / (Deficit) for Year	166	(111)	-
- Contributed Equity	-	-	-
- Distribution to Councils	-	-	-
1,183 Balance at End of Period - 30 June	1,441	1,072	1,072

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	<i>User Charges</i>	22,747	22,747	23,704
46	<i>Investment income</i>	20	55	48
-	<i>Grants, subsidies and contributions</i>	50	50	-
1,078	<i>Other</i>	1,322	1,372	1,552
22,312		24,139	24,224	25,304
	Expenses			
7,476	<i>Employee Costs</i>	7,675	7,885	8,865
12,184	<i>Materials, contracts & other expenses</i>	13,275	13,514	13,118
2,108	<i>Depreciation, amortisation & impairment</i>	2,657	2,566	2,707
354	<i>Finance costs</i>	384	430	694
22,122		23,991	24,395	25,384
190	Operating Surplus / (Deficit)	148	(171)	(80)
	Net Outlays on Existing Assets			
(587)	<i>Capital Expenditure on Renewal and Replacement of Existing Assets</i>	(2,115)	(4,111)	(2,249)
2,108	<i>Depreciation, Amortisation and Impairment</i>	2,657	2,566	2,707
145	<i>Proceeds from Sale of Replaced Assets</i>	50	92	80
1,666		592	(1,453)	538
	Net Outlays on New and Upgraded Assets			
(2,484)	<i>Capital Expenditure on New and Upgraded Assets</i>	(40)	(40)	(60)
-	<i>Amounts Specifically for New and Upgraded Assets</i>	-	-	-
-	<i>Proceeds from Sale of Surplus Assets</i>	-	-	-
(2,484)		(40)	(40)	(60)
(628)	Annual Net Impact to Financing Activities (Surplus/(Deficit))	700	(1,664)	398

3 June 2024

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

Dear Mr Gregory

Re: Eastern Waste Management Authority Draft 2024/2025 Annual Plan & Budget

I am pleased to advise that the following resolution was unanimously passed at the Council meeting held on 28 May 2024:

Item 12.2 - Eastern Waste Management Authority - Draft 2024-25 Annual Plan and Budget

1. *That the report on Eastern Waste Management Authority - Draft 2024-25 Annual Plan and Budget be received and noted.*
2. *To provide consent to the Eastern Waste Management Authority Draft Annual Plan 2024-25.*
3. *That the CEO is to advise the Eastern Waste Management Authority Board that Council has provided consent to the Eastern Waste Management Authority Draft Annual Plan 2024-25.*

The Council Members appreciated you taking the time to attend the meeting, and for your comprehensive presentation.

Yours sincerely



Greg Georgopoulos
Chief Executive Officer

29 May 2024

Mr Rob Gregory
General Manager
East Waste Management Authority

Via email: robq@eastwaste.com

Dear Rob,

RE: REGIONAL SUBSIDIARIES ANNUAL BUSINESS PLANS AND BUDGETS 2024/25

At its meeting held Tuesday, 14 May 2024, Council Resolved (Resolution C52024/13694) in part:

11.2 Regional Subsidiaries Annual Business Plans and Budgets 2024/25

That Council approves the East Waste Management Authority draft Budget 2024/25, which presents an Operating Deficit of \$80k.

b. Requests the 2024/25 East Waste Annual Plan be amended to delete the sentences commencing "Recent announcements by the State government" and ending with "has now been contracted significantly" (page 4, paragraph 2 of the draft plan – page 35 of this Agenda).

Should you require further information please contact me at
mspearman@burnside.sa.gov.au

Yours sincerely,



Matthew Spearman
Director Corporate



Enq: Simon Zbierski
Ph: 8366 9289

14 April 2023

Mr Rob Gregory
General Manager
East Waste
PO Box 26
MANSFIELD PARK SA 5012

Dear Mr Gregory

Draft 2023/2024 Annual Plan and Budget

I wish to advise that at its meeting held on Tuesday 4 April 2023 Council endorsed East Waste's Draft Annual Plan and Budget for the Year ending 30 June 2024.

If you have any queries please contact Council's Manager Finance, Mr Simon Zbierski on 8366 9289.

Yours sincerely

Tracie Dawber
General Manager Corporate Services

Full Council Confidential Minutes

Confidential Minutes of a meeting of the Council held at the Council Chambers
131 Belair Road, Torrens Park on Tuesday, 14 May 2024 at 7:00 PM.

11.1 East Waste Draft Annual Plan and Budget 2024/25

DECISION 2 - SUBSTANTIVE DECISION

MOVED Cr Hockley

1. That Council consents to the East Waste Draft Annual Plan and Budget 2024/25 (**Attachment B**).

2. That Council requests East Waste to provide a report on a six (6) monthly basis regarding progress towards one of the five (5) key objectives outlined in its 2030 Strategic Plan, that is, actions being taken to deliver cost effective and efficient services.

SECONDED Cr McCarthy

CARRIED UNANIMOUSLY

DECISION 3 - OUT OF CONFIDENCE / ITEMS TO REMAIN IN CONFIDENCE

MOVED Cr Morrison

1. That having considered the said information or matter pursuant to Section 90(2) and (3) under Part 3 of Chapter 6 of the *Local Government Act 1999*, the Council orders pursuant to Section 91(7) of the *Local Government Act 1999* that the **report, Attachment A, discussion and minutes** relating to **Item 11.1 - East Waste Draft Annual Plan and Budget 2024/25** be kept confidential and released when East Waste consents to its release.
2. That the Chief Executive Officer be authorised to discuss the **report, Attachment A, and minutes** with East Waste and other constituent councils as appropriate.
3. That the Chief Executive Officer be authorised to review the confidentiality order as required.
4. That, pursuant to Section 91(9)(c) of the *Local Government Act 1999* the Chief Executive Officer be authorised to revoke this order.

SECONDED Cr Wells

CARRIED UNANIMOUSLY

8:53PM THE MEETING MOVED OUT OF CONFIDENCE WITH THE
GALLERY RETURNED AND THE AUDIO RECORDING RESUMED

File Number: qA144677
Enquiries To: Lisa Mara
Direct Telephone: 8366 4549



**City of
Norwood
Payneham
& St Peters**

28 May 2024

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

Via email: RobG@eastwaste.com

Dear Rob

EAST WASTE DRAFT 2024-2025 ANNUAL BUSINESS PLAN

I am pleased to advise that at its meeting held on 6 May 2024, the Council considered the East Waste Draft 2024-2025 Annual Business Plan.

Pursuant to Clause 52 of the Charter, the Council has considered and hereby approves the Authority's Draft 2023-2024 Annual Business Plan.

I have attached a copy of the report which was considered by the Council in respect to this matter for your records.

If you have any questions or require additional information regarding this matter, please contact me on 8366 4549 or via email: lmara@npsp.sa.gov.au

Yours sincerely

Lisa Mara
GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS

175 The Parade,
Norwood SA 5067

PO Box 204
Kent Town SA 5071

Telephone
8366 4555

Email
townhall@npsp.sa.gov.au

Website
www.npsp.sa.gov.au



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11.8 EAST WASTE DRAFT 2024-2025 ANNUAL BUSINESS PLAN

REPORT AUTHOR: General Manager, Governance & Civic Affairs
GENERAL MANAGER: Chief Executive Officer
CONTACT NUMBER: 8366 4549
FILE REFERENCE: qA87860
ATTACHMENTS: A

PURPOSE OF REPORT

The purpose of this report is to present to the Council the East Waste Draft 2024-2025 Annual Business Plan for endorsement.

BACKGROUND

East Waste (the Authority) is a Regional Subsidiary established pursuant to Section 43 of the *Local Government Act 1999*, for the purpose of providing waste management services to Constituent Councils. The City of Norwood Payneham & St Peters, together with the Adelaide Hills Council, the City of Burnside, the City of Campbelltown, the City of Mitcham, the City of Prospect, the City of Unley and the Town of Walkerville, make up the Constituent Councils of East Waste.

Pursuant to Clause 51 of the East Waste Charter (the Charter), East Waste must prepare an Annual Business Plan which informs and supports the Authority's Annual Budget.

Upon completion of the draft Annual Business Plan and Budget, pursuant to Clause 52.3 of the Charter, the Authority must provide the draft Plan to Constituent Councils for the purposes of obtaining approval from the Constituent Council's on or before 31 May.

The Annual Business Plan can only be adopted by the East Waste Board, with absolute majority approval of the Constituent Councils.

RELEVANT STRATEGIC DIRECTIONS & POLICIES

Not Applicable

FINANCIAL AND BUDGET IMPLICATIONS

As a Constituent Council, there are financial implications for the Council's budget, emanating from the East Waste Draft Annual Business Plan (the Plan) and Budget and while Constituent Councils are not required, pursuant to the East Waste Charter, to approve the East Waste Budget, by virtue of the endorsement of the Plan, the Constituent Councils ostensibly endorse the Authority's draft Budget.

The Authority's draft Budget is based on a Common Fleet Costing methodology, with Common Fleet Costs, which predominately relate to collection costs, being charged to Constituent Councils based on the cost to undertake the collection of each Constituent Council's waste streams. The allocation of the Common Fleet Costs is based on the East Waste's GPS System. It should be noted that as per the Authority's Budget Policy, the Common Fleet Cost includes an additional charge to incorporate a return on revenue, which is currently set at 1% of the Common Fleet Costing Charge. The reasons for this are unclear.

In addition, where Constituent Councils utilise East Waste for other services such as Contract Management Services (Disposal and Resource processing) and Waste Bin Maintenance, these services are on-charged to the respective Councils at cost. That is, each Council bears the cost of these additional services that are required.

However East Waste have advised that as a result of a number of financial challenges and pressures, East Waste has been required to make several fiscally difficult decisions in order to deliver an acceptable overall year-on-year increase for Member Councils.

On this basis, East Waste have determined not to apply the 1% Common Fleet Costing charge as part of the 2024-2025 Budget. This will reduce the total Budget by approximately \$170,000, meaning that East Waste will not achieve a budgeted Operating surplus. While this provides a saving to Member Councils in the 2024-2025 financial year in respect to the collection fees, it will result in East Waste commencing the 2025-2026 Budget with a potential deficit. However, East Waste has advised that it is confident that cash reserves can be utilised rather than seeking (recovering) the shortfall from Member Councils.

It is important to note however, that assuming the 1% Common Fleet Charge is applied for the 2025-2026 financial year and all expenses and income remain consistent, Member Councils can expect an overall fee increase greater than CPI as part of the 2025-2026 Budget.

The Council's Draft Waste Management Budget, reflects that \$2,456.804 million (\$2.336 million in 2023-2024) to be charged for the collection of this Council's waste streams, which include Domestic waste, Green Organics, Recyclables, Public Litter Bins, Illegal Dumping and pre-booked Hard Rubbish Collection.

The Council's Draft 2024-2025 Budget has been amended to include the increased charges which have been proposed by East Waste.

There are a number of factors which have influenced East Waste's Draft Plan and Budget, which are highlighted in the Discussion Section of this report.

EXTERNAL ECONOMIC IMPLICATIONS

Nil

SOCIAL ISSUES

Nil

CULTURAL ISSUES

Nil

ENVIRONMENTAL ISSUES

Nil

RESOURCE ISSUES

Nil

RISK MANAGEMENT

Nil

CONSULTATION

- **Elected Members**
Cr Claire Clutterham is a Member of the East Waste Board and Cr Victoria McFarlane is the Deputy Board Member.
- **Community**
Not Applicable.
- **Staff**
Representatives from East Waste have held discussions with the Council's Manager, City Services regarding the collection costs.
- **Other Agencies**
Not Applicable.

DISCUSSION

The *East Waste 2030 Strategic Plan* is based on the following objectives:

- deliver cost-effective and efficient services facilities;
- maximise source separation and recycling;
- provide leading and innovative behaviour change and education;
- help develop a local circular economy; and
- provide leadership.

The 2024-2025 Draft Plan and Budget has been prepared to progress the objectives of the *East Waste 2030 Strategic Plan*.

As stated previously, a number of factors have influenced the draft Plan and Budget, including the following:

- Employee Enterprise Agreement - Waste Collection Operators are currently in the final year of a three-year Enterprise Agreement (EA). The current EA includes annual wage increases (1.75% -2.2%), which over the last 3 years, has resulted in salary increases that are 10.7% lower than CPI over the same period. This has resulted in East Waste not remaining competitive in the broader labour market and has made attraction and retention of Operators difficult. To ensure that East Waste remains competitive a market review has been undertaken and as such an interim wage adjustment has been made which was funded through existing cash reserves;
- maintenance of the East Waste Fleet - East Waste has in excess of 50 waste collection vehicles. Over the past 18 months access to and the cost of spare parts has significantly increased; and
- lease costs for the East Waste Depot - East Waste is in the process of negotiating a new lease for the premises at Ottoway which could result in an increase to the lease fees.

A copy of the Draft 2024-2025 Annual Business Plan & Budget is contained in **Attachment A**.

OPTIONS

The Council can choose not to endorse the draft 2024-2025 Annual Business Plan, however, there are no specific issues or activities which present a financial or risk management issue for this Council to take this course of action.

CONCLUSION

In line with the East Waste Charter, Constituent Councils are not required to endorse the draft Budget however by virtue of the endorsement of the Annual Plan, the Council is also ostensibly endorsing the East Waste Budget.

COMMENTS

Nil

RECOMMENDATION

That the Eastern Waste Management Authority Incorporated be advised that pursuant to Clause 52 of the Charter, the Council has considered and hereby approves the Authority's Draft 2024-2025 Annual Business Plan.

Cr Mex moved:

That the Eastern Waste Management Authority Incorporated be advised that pursuant to Clause 52 of the Charter, the Council has considered and hereby approves the Authority's Draft 2024-2025 Annual Business Plan.

Seconded by Cr Clutterham and carried unanimously.

From: [Megan Gillett](#)
To: [Rob Gregory](#)
Cc: [Sam Dilena](#)
Subject: Council endorsement of East Waste Draft 2024/2025 Annual Plan and Budget
Date: Wednesday, May 1, 2024 3:02:51 PM
Attachments: [image001.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[image008.png](#)

Dear Greg,

On behalf of Sam Dilena, I am advising of the below resolution of Council.

ORDINARY COUNCIL MEETING MINUTES

23 APRIL 2024

10.3 EAST WASTE DRAFT 2024/25 ANNUAL PLAN AND BUDGET

RESOLUTION 2024/42

Moved: Cr Mark Groot
Seconded: Cr Kristina Barnett

That Council:

1. Having considered Item 10.3 East Waste Draft 2024/25 Annual Plan and Budget receives and notes the report.
2. Having considered Item 10.3 East Waste Draft 2024/25 Annual Plan and Budget, endorses the East Waste Draft 2024/25 Annual Plan and Budget (as presented in Attachment 1).

CARRIED UNANIMOUSLY

Kind regards,
Megan

Megan Gillett

Executive Assistant
Director City Works & Presentation
Director City Growth & Development

T 08 8269 5355

Payinthe - 128 Prospect Road, Prospect, SA 5082 | PO Box 171, Prospect SA 5082

Megan.Gillett@prospect.sa.gov.au

City of Prospect acknowledges that we are on the traditional country of the Kaurna people of the Adelaide Plains region, and we pay our respect to Elders past and present.



Please consider the environment before printing this email

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24 April 2024

Mr Rob Gregory
General Manager
Eastern Waste Management Authority
Via email RobG@eastwaste.com

Dear Rob

Re: Draft 2024-25 East Waste Annual Business Plan and Budget

I write to advise that at its meeting held on 22 April 2024, Council considered a report outlining the Draft 2024-25 East Waste Annual Business Plan and Budget.

Following consideration of Item 4.4 Eastern Waste Management Authority Draft 2024-25 Annual Business Plan, Council resolved that:

1. *The report be received.*
2. *The Eastern Waste Management Authority be advised that pursuant to Clause 52 of its Charter, the City of Unley has considered and approves its Draft 2024-25 Annual Business Plan, as set out in Attachment 1 of this report (Item 4.4, Council Meeting 22/04/2024).*

Resolution No. C1249/24

We look forward to working closely with East Waste to ensure the delivery of the proposed Annual Business Plan.

If you have any questions regarding this matter, please contact Claude Malak, General Manager, City Development at cmalak@unley.sa.gov.au

Yours sincerely



Peter Tsokas
Chief Executive Officer



File Number: 40.5.14.3

Please Quote Ref:

Contact Officer: Muhammad Jawad

Telephone: (08) 8342 7100

Facsimile: (08) 8269 7820

Email: walkerville@walkerville.sa.gov.au

www.walkerville.sa.gov.au

29 May 2024

Mr Rob Gregory
General Manager
East Waste
Via Email: east@eastwaste.com

Dear Rob

Re: East Waste Draft 2024/25 Annual Plan and Budget

I wish to inform you that the Town of Walkerville considered the East Waste Draft Annual Business Plan and Budget for 2024/25 at its Special Meeting held on 27 May 2024 and resolved the following:

That Council approves the East Waste Draft Annual Business Plan and Budget 2024/25. (Minute no: CNC 115/05/24)

The Council's Audit & Risk Committee also considered the draft budget at its meeting held on 20 May 2024. It was suggested by the Audit & Risk Committee that attendance by a representative from East Waste at future budget meetings will assist the Committee in understanding details and assumptions used in formulating budgets, such as unit rates etc.

I will contact you prior to future budget considerations by the Town of Walkerville to arrange appropriate representation from your organisation.

Please feel free to contact me directly should you have any questions or require assistance.

Yours sincerely

Muhammad Jawad
Group Manager Finance
Town of Walkerville
Email: mjawad@walkerville.sa.gov.au
PH: 08 8342 7100

9.2 Interim Audit Report

Report Author Coordinator Finance & Strategic Projects

Attachments A: Galpins Interim Audit Management Letter

Purpose and Context

To provide the Board with an opportunity to review the Interim Audit Report conducted by external auditors Galpins.

Recommendation

That the Board receives and endorses the Interim Audit Management Letter and acknowledges all matters of note will be addressed prior to 30 September 2024.

Strategic Link

Objective 5. Provide Leadership

Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

At the Board Meeting held on 29 February 2024, the Board resolved (in part):

10.1 EXTERNAL AUDITORS CONTRACT

RECOMMENDATION 2

Moved Mr S Dilena that the East Waste Board supports the recommendation of the Evaluation Panel of RFT 2024/01 Provision of Auditing Services process which identified Galpins as the preferred tenderer and instructs the Manager Business Services to advise Galpins that their Quote has been successful and to appoint them to a three (3) year contract with an option to extend for two (2) additional years at the discretion of East Waste.

Seconded Cr T Jennings

Carried

Subsequently, Galpins were engaged as East Waste's external auditing firm for a three-year term. The interim audit was undertaken in late May 2024, and an interim management letter issued for Management response.

Discussion

Given this was the first audit undertaken by Galpins for East Waste, significant time was spent understanding the business and its operations. Seven key business cycles were deemed critical for assessing the effectiveness of internal controls, with 31 core controls established for assessment. A copy of the Interim Management Report is provided as per Attachment A (refer Attachment A).

22 of 31 controls were found to be operating effectively, with 9 controls posing a low to moderate risk, and recommendations made by Galpins accordingly. This was highlighted to East Waste as a positive result, noting no high-risk matters were raised. It is also important to note no matters were identified within the 'User Charges' business cycle, with 5 of 5 controls operating effectively. Positive feedback was provided to Management, by Galpins, in relation to the thorough processes in place for calculating Member Council collection charges, and particularly, the tonnage reconciliation processes undertaken each month to recoup disposal costs. It was noted that the process is more thorough than most Councils and Member Councils can have a very high confidence level that the fees charged to them by East Waste are both accurate and equitable.

Management has responded to all matters raised by Galpins (Refer Attachment A) and is of the opinion that they are fair and agree to implement all recommendations. Given several moderate risk controls were found, some action has been taken immediately to remedy several matters. As detailed in Management's response, the remaining actions will be implemented prior to 30 September 2024, and these will be communicated to the Audit & Risk Committee and Board Meeting at the September meetings. A draft Credit Card Policy will also be presented at this time, where consideration will be given to an appropriate process for review of the General Manager's credit card expenditure.

Administration would also like to note that the interim audit process has prompted a review of East Waste's Delegations. Administration intends to draft a revised Delegations Policy and present to the Audit & Risk Management Committee and Board prior to the end of the calendar year.

Having considered the Interim Audit Management Letter by Galpins at the meeting held 19 June 2024, the Audit & Risk Management Committee resolved:

9.2 Interim Audit Report

The Interim Audit Report was presented by Mr T Muhlhausler from Galpins

Moved Mr F Bell that the Audit & Risk Management Committee receives and endorses the Interim Audit Management Letter and acknowledges all matters of note will be addressed prior to 30 September 2024.

Seconded Ms L Green

Carried

The Audit & Risk Management Committee requested that the following comment, made by Mr Muhlhausler, be minuted:

'The Authority has industry-leading reconciliation processes in place to ensure Member Councils are charged appropriately. Further the controls and processes around the calculation of Common Fleet Costs are detailed and thorough. Councils should have a very high level of comfort knowing that charging is appropriate and financial risks are being managed correctly.'

Galpins

Accountants, Auditors & Business Consultants

Financial Controls Review

East Waste

2023/24 Interim Management Letter

EastWaste

Mount Gambier

233 Commercial Street West
PO Box 246, Mount Gambier SA 5290
DX 29044
P: (08) 8725 3068
F: (08) 8724 9553
E: admin@galpins.com.au

Stirling

Unit 4, 3-5 Mount Barker Road
PO Box 727, Stirling SA 5152
P: (08) 8339 1255
F: (08) 8339 1266
E: stirling@galpins.com.au

Norwood

3 Kensington Road, Norwood SA 5067
PO Box 4067, Norwood South SA 5067
P: (08) 8332 3433
F: (08) 8332 3466
E: norwood@galpins.com.au

www.galpins.com.au

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1. EXECUTIVE SUMMARY

1.1 Scope of our interim audit

During our interim audit we perform procedures to gain an understanding of the internal controls in place relevant to the financial statements and perform tests of design and effectiveness for these controls. Based on the results of the control testing, we then assess the audit risks to define the extent and nature of our substantive procedures (e.g. inspection of documents, recalculation, reconciliation, etc) for our final visit.

We have used The Better Practice Model – Internal Financial Controls (BPM) as a guide to select the internal controls to be tested for each key business cycle we identified. The BPM provides a number of internal financial controls within different business cycles that address a variety of inherent risks. A risk based approach is used to determine the key business cycles, and key risks within these business cycles, that we have determined as critical for the purpose of assessing the effectiveness of the Authority's financial internal controls.

The identification of key core controls and key business risks included the following risk assessment procedures:

Risk review – A review of the Authority's inherent risk assessment for internal financial controls.

Financial statement review – A high level financial statement review performed to identify key accounts and transaction streams.

Internal / external audit results review – The findings and recommendations of internal / external financial audits are reviewed to identify known areas of weakness, and areas known to be attracting audit attention.

The key core controls for the following key business cycles have been identified as critical for assessing the effectiveness of the Authority's financial internal controls:

- Purchasing and Procurement/Contracting
- General Ledger
- Accounts Payable
- Payroll
- Credit Cards
- User charges
- Banking

We have included a list of key controls identified by audit for these business cycles as an appendix to this report (see Appendix 1). This list does not represent a complete population of internal controls that the Authority should have in place. There is an expectation that controls not in this list will still exist and be operating effectively within the Authority.

1.2 Overall review of the Authority's internal controls

During our interim visit we found that the majority of key internal controls reviewed were in place and were operating effectively (22 out of 31 core controls reviewed). There were no high risk weaknesses identified. A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively	2024 Findings			
			2024	H	M	L
Purchasing & Procurement/Contracting	3	2	-	1	-	-
General Ledger	6	3	-	2	1	-
Accounts Payable (AP)	4	3	-	1	-	-
Payroll	6	5	-	-	1	-
Credit Cards	4	1	-	1	2	-
User charges	5	5	-	-	-	-
Banking	3	3	-	-	-	-
Total	31	22	-	5	4	-

We recommend that the Authority prioritises the moderate risk findings, as failure in compensating controls addressing the same risk or existence of multiple moderate weakness within the same business cycle may lead a material misstatement in East Waste's financial statements.

The findings were rated as follows:

Category	Description
High Risk Weaknesses	The issue described could lead to a material misstatement in East Waste's financial statements and/or a significant control failure.
Moderate Weaknesses	The issue described does not represent a material weakness due to the existence of compensating controls. However, the failure of the compensating controls or the existence of any other moderate weakness within the same business cycle may lead to a material misstatement in East Waste's financial statements and/or a significant control failure.
Low Risk Weaknesses	The issue described is a low risk weakness due to the existence of compensating controls and/or the failure or absence of the internal controls does not impact significantly on East Waste's financial risks. However, multiple low-level risk weakness within the same business cycle may lead to a material misstatement in East Waste's financial statements and/or a significant control failure.
Better Practice Weaknesses	The issue described has been included in this report as an opportunity for better practice.

1.3. Summary of findings

Business Cycle	Findings	Risk
Purch. Proc. Contracting	2.1.1 An instance of a supplier for which evidence of procurement procedures undertaken was not on file	M
General Ledger	2.2.1 Potentially excessive number of administrators in MYOB	M
	2.2.2 No process in place to ensure that all manual journal entries are independently reviewed	M
	2.2.3 Absence of formal review of balance sheet reconciliations	L
Accounts Payable	2.3.1 An instance of a payment approved by an officer who did not have sufficient financial delegation	M
Payroll	2.4.1 An instance where a document providing written evidence of the position title of an employee was not found on file	L
Credit cards	2.5.1 The Authority does not have a credit card policy	M
	2.5.2 GM's credit card statements and transactions were not reviewed by the Board or the audit committee	L
	2.5.3 Credit card holders are not required to sign a declaration confirming compliance with Authority policy and procedures prior to the Credit Card being released	L
User charges	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A
Banking	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A

2. DETAILED AUDIT FINDINGS

2.1 PURCHASE, PROCUREMENT AND CONTRACTING

2.1.1 An instance of a supplier for which evidence of procurement procedures undertaken was not on file

Moderate

Control	Employees must ensure all purchases are in accordance with the Authority's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.
Risk	The Authority does not obtain value for money in its purchasing and procurement.

Finding	Recommendations	Management Response												
<p>The Procurement Policy provides the following methods of procurement based on the value of the purchase:</p> <table border="1" data-bbox="91 783 943 1206"> <thead> <tr> <th style="background-color: #1a3d54; color: white;">Value of purchase</th> <th style="background-color: #1a3d54; color: white;">Minimum procurement requirement</th> <th style="background-color: #1a3d54; color: white;">Applicable Procurement Method</th> </tr> </thead> <tbody> <tr> <td>< 10,000</td> <td>One quotation</td> <td>Direct Purchasing Request for Quotations (RFQ) / Request for Expression of Interest (REOI) / Request for Tender (RFT) / Panel Contracts / Strategic Alliances</td> </tr> <tr> <td>\$10,001 - \$100,000</td> <td>Three quotations</td> <td>Request for Quotations (RFQ) / Request for Expressions of Interest (REOI) / Request for Tender – Open or Select / Panel contracts / Strategic Alliances</td> </tr> <tr> <td>>100,001</td> <td>Open Request for Tender or EOI</td> <td>Request for Expressions of Interest (REOI) / Request for Tender – Open / Panel contracts / Strategic Alliances</td> </tr> </tbody> </table> <p>The policy also states that in certain circumstances, the East Waste Board or General Manager (where the power is delegated) may waive application of this policy. The General Manager must record and report their reasons to the Board.</p>	Value of purchase	Minimum procurement requirement	Applicable Procurement Method	< 10,000	One quotation	Direct Purchasing Request for Quotations (RFQ) / Request for Expression of Interest (REOI) / Request for Tender (RFT) / Panel Contracts / Strategic Alliances	\$10,001 - \$100,000	Three quotations	Request for Quotations (RFQ) / Request for Expressions of Interest (REOI) / Request for Tender – Open or Select / Panel contracts / Strategic Alliances	>100,001	Open Request for Tender or EOI	Request for Expressions of Interest (REOI) / Request for Tender – Open / Panel contracts / Strategic Alliances	<p>The Authority ensures that procurement decisions and the procurement methods used for engaging suppliers are documented and maintained in its records management system.</p> <p>The Authority ensures that there are formal agreements with suppliers with significant cumulative spend, and that works are not commenced prior to signing of contracts.</p>	<p>Management is committed to adhering to East Waste's procurement policy and ensuring procurement decisions are well considered and in line with minimum procurement requirements and appropriate methods. Some historically used suppliers, particularly those that relate to specialised fleet maintenance services, will not have supporting evidence that policy has been applied or a contractual agreement in place. This particular example related to a supplier that specialises in heavy vehicle transmission maintenance and servicing.</p> <p>Management will commit to reviewing cumulative spend of all suppliers in the current financial year and assess whether appropriate procurement decisions have been made and documented, and act accordingly. It may be appropriate to test the market for particular services or enter into a formal agreement with suppliers. Given the risk was deemed moderate,</p>
Value of purchase	Minimum procurement requirement	Applicable Procurement Method												
< 10,000	One quotation	Direct Purchasing Request for Quotations (RFQ) / Request for Expression of Interest (REOI) / Request for Tender (RFT) / Panel Contracts / Strategic Alliances												
\$10,001 - \$100,000	Three quotations	Request for Quotations (RFQ) / Request for Expressions of Interest (REOI) / Request for Tender – Open or Select / Panel contracts / Strategic Alliances												
>100,001	Open Request for Tender or EOI	Request for Expressions of Interest (REOI) / Request for Tender – Open / Panel contracts / Strategic Alliances												

Audit selected a sample of suppliers based on the total cumulative spend for the 2023/24 financial year. For the engagement of one supplier with cumulative spend for the first nine months of the 2023/24 financial year of \$101,643, formal documents providing evidence of the procurement method used or written approval containing reasons for waiving the application of the policy were not available for audit. In addition, the Authority could not locate in its records a signed contract for this supplier.

Management has already commenced this process and intends to finalise actions by September 2025.

2.2 GENERAL LEDGER

2.2.1 Potentially excessive number of administrators in MYOB

Moderate

Control

Access to General Ledger maintenance is restricted to appropriately authorised personnel.

Risk

General ledger does not contain financial information / Data contained within the general ledger is permanently lost.

Finding	Recommendations	Management Response
<p>We reviewed the list of IT users with access to key finance modules in the MYOB system. The MYOB system currently has the following users with administrator access:</p> <ul style="list-style-type: none"> • 'Adm I' (profile used by the Finance Coordinator) • 'Adm II' (profile used by the Finance Officer) • Manager Business Services (name including in profile) • External Accountant (name including in profile) <p>Additionally, audit noted that the WHS and Risk Officer has access to the accounting and payroll functions in MYOB. Staff advised that this employee performs accounting and payroll functions in the absence of the finance coordinator and the finance officer.</p> <p>Audit acknowledges that Management may consider some of the above access rights to be appropriate. The purpose of listing them is to recommend that Management considers the extent of the access rights detailed above when performing the next review of users with access to finance functions in MYOB.</p>	<p>The Authority reviews the current list of users with administrator access in MYOB to assess the need for four administrators.</p> <p>The WHS and Risk Officer's access to payroll and accounting functions in MYOB is restricted, providing access only as needed during the absence of the finance coordinator or finance officer.</p> <p>Consideration is given to naming administrator accounts to include the allocated user's name, rather than using generic titles such as 'Admin I' and 'Admin II', to provide a stronger audit trail.</p>	<p>Management will review the administrator access to MYOB AccountRight as a matter of urgency and determine what access, if any, is appropriate for the Finance Coordinator, Finance Officer, Manager Business Services, and external accountancy firm. The access requirement will then be updated in East Waste's internal licence requirements register to ensure security isn't compromised through any future changeover of staff. A review of this access will be scheduled on an annual basis through East Waste's internal Finance meetings.</p> <p>Management agrees with the view that the WHS and Risk Coordinator's access to MYOB AccountRight should be restricted and allocated if and when required to process payroll functions. Access has been immediately suspended following the findings of the interim audit.</p>

2.2.2 No process in place to ensure that all manual journal entries are independently reviewed**Moderate****Control**

Journal entry access is restricted to appropriately authorised personnel.

Risk

General ledger does not contain accurate financial information.

Finding	Recommendations	Management Response
Audit noted that there are no processes in place to ensure that manual journal entries are independently reviewed.	<p>A process is implemented to ensure all manual journal entries are independently reviewed.</p> <p>If the Authority finds that individually reviewing all manual journal entries is time-consuming given the current resources available, an alternative approach is to have an officer independently review a report containing all manual journal entries posted for the month and electronically sign the report.</p>	Management will commit ensuring a single report containing all manual journal entries is prepared and reviewed on a monthly basis by a senior officer, and that the process becomes part of East Waste's standard end of month procedures. Management acknowledges Galpin's view that independent review of individual journal entries would prove too time consuming given staff resourcing in the finance department.

2.2.3 Absence of formal review of balance sheet reconciliations

Low

Control

All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.

Risk

General Ledger does not contain accurate financial information.

Finding	Recommendations	Management Response
<p>Audit noted the absence of a formal review of balance sheet reconciliations.</p> <p>It is important to highlight that audit reviewed the banking, accounts receivables (AR) and accounts payables (AP) reconciliations performed by the MYOB system and noted that the general ledgers were appropriately reconciled to the bank statements, as well as the AR and AP subsidiary ledgers.</p>	<p>Ensure that balance sheet reconciliations are reviewed by a person other than the preparer at least annually. More frequent independent review is recommended for key accounts and higher risk accounts, including but not limited to bank, AR and AP accounts.</p> <p>This can be achieved by including electronic signatures from both the preparer and the reviewer in the PDF of the reconciliations generated by MYOB, similar to the current process for approving invoices.</p>	<p>Management acknowledges that evidence of a formal review of Balance Sheet accounts is not being retained. In future, Management will prepare monthly General Ledger reconciliation reports for all Bank, Debtor, Creditor and Payroll Clearing accounts with all other Balance Sheet accounts to be reconciled on a quarterly in line with the review and preparation of the Budget Review. This process will be implemented for all reconciliations performed from July 2024 onwards.</p>

2.3 ACCOUNTS PAYABLE

2.3.1 An instance of a payment approved by an officer who did not have sufficient financial delegation

Moderate

Control

All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.

Risk

Disbursements are not authorised properly.

Finding	Recommendations	Management Response																		
<p>The schedule of sub-delegations made by the General Manager under clause 29.9.1 of the East Waste Charter provides the following financial delegations, which includes delegation to authorise individual creditor payments:</p> <table border="1" data-bbox="91 778 943 1027"> <thead> <tr> <th>Position</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>General Manager</td> <td>\$250,000</td> </tr> <tr> <td>Manager Business Services</td> <td>\$100,000</td> </tr> <tr> <td>Manager Operational Services</td> <td>\$100,000</td> </tr> <tr> <td>Coordinator Finance & Strategic Projects</td> <td>\$20,000</td> </tr> <tr> <td>Operations coordinator</td> <td>\$10,000</td> </tr> <tr> <td>Risk and WHS coordinator</td> <td>\$10,000</td> </tr> <tr> <td>Administration officer – workshop</td> <td>\$500</td> </tr> <tr> <td>Customer service staff</td> <td>\$500 (stationery & amenities)</td> </tr> </tbody> </table> <p>Audit identified one instance where the payment for purchase order 20313, related to invoice 18352 with a total value of \$101,598.25, was approved by the Coordinator Finance & Strategic Projects, who has a delegation limit of \$20,000.</p>	Position	Amount	General Manager	\$250,000	Manager Business Services	\$100,000	Manager Operational Services	\$100,000	Coordinator Finance & Strategic Projects	\$20,000	Operations coordinator	\$10,000	Risk and WHS coordinator	\$10,000	Administration officer – workshop	\$500	Customer service staff	\$500 (stationery & amenities)	<p>Ensure that invoices and payments are approved by an officer with the financial delegation limit specified in the schedule of sub-delegations established by the General Manager.</p> <p>Audit notes that East Waste is currently considering implementing an accounts payable system (TRAILD) that will automate AP data entry and approval. We recommend that the Authority ensures delegation limits are established in the system to ensure that invoices can only be approved by an officer with the appropriate delegation limit.</p>	<p>Management acknowledges the importance of adhering to East Waste’s endorsed financial delegations, and staff are aware of their responsibility to ensure that purchases being authorised are within their allocated financial delegation.</p> <p>This particular instance was an oversight but was also unique given that the invoice in question was raised by a Member Council directly in response to a request from East Waste’s Finance department to raise an invoice for the return of additional bin funds that had been collected and needed to be returned to Council. This meant the amount was easily reconcilable back to the original request to Council.</p> <p>East Waste is in the process of implementing an Accounts Payable software add-on (Traild) which will streamline the invoice authorisation process and in turn strengthen Accounts Payable internal controls. This software has capability to set financial delegations by position, to ensure</p>
Position	Amount																			
General Manager	\$250,000																			
Manager Business Services	\$100,000																			
Manager Operational Services	\$100,000																			
Coordinator Finance & Strategic Projects	\$20,000																			
Operations coordinator	\$10,000																			
Risk and WHS coordinator	\$10,000																			
Administration officer – workshop	\$500																			
Customer service staff	\$500 (stationery & amenities)																			

		purchases outside of a staff member's delegated amount cannot be authorised going forward. Implementation is scheduled for July 2024.
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2.4 PAYROLL

2.4.1 An instance where a document providing written evidence of the position title of an employee was not found on file

Low

Control

All calculations for generating payroll payments are verified for accuracy.

Risk

Payroll expense is inaccurately calculated.

Finding	Recommendations	Management Response
<p>During our interim audit, a sample of 7 employees was selected for a recalculation of their payroll payments, including reviewing employee files (e.g. contracts), the Employee Relations Agreement, and timesheets.</p> <p>In one instance, the Authority was unable to provide any written documentation substantiating the position title of an employee to enable us to check the hourly rate paid to the hourly rate determined by the East Waste Collective Workplace agreement (employee #49).</p>	<p>Ensure that current classifications and hourly rates paid for all employees are formally documented in a contract signed by both the Authority and the employee, and retained in the Authority's records management system.</p>	<p>This is a matter that had been raised and addressed through previous audits, where it was discovered that in cases where employees had commenced with East Waste prior to 2016, some initial Offer of Employment letters were not able to be located, due to the nature of record keeping at that time. In those instances, management's response was deemed adequate, however Administration will seek to mitigate this risk by undertaking an audit of employment contracts, and for those not on file, a formal agreement will be drawn and signed by both East Waste and the employee and retained within the personnel file. This exercise will be completed by September 2024.</p>

2.5 CREDIT CARDS

2.5.1 The Authority does not have a credit card policy

Moderate

Control

There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures.

Risk

Credit cards are used for purchase of a personal nature.

Finding	Recommendations	Management Response
<p>Audit noted that the Authority does not have a credit card policy.</p>	<p>A credit card policy is developed and adopted by the Board. Topics to be addressed in the policy include:</p> <ul style="list-style-type: none"> - procedures in place to ensure appropriate approvals prior to issuing credit cards - process in place for establishing credit card limits - process for review and approval of credit card statements / transactions - reconciliation process for credit card statements to supporting documents (receipts, tax invoice, etc) - requirement for credit card holders to sign an 'Agreement and Acknowledgement by Credit Card Holder' (<i>see finding 2.5.3 below</i>) - details of allowable and prohibited uses of credit cards - any other topics that the Authority considers important. 	<p>Management agrees that a Credit Card Policy should be implemented. A draft policy will be drawn and presented to the September Audit & Risk Management Committee and Board meetings. The intent is that the policy will address all recommendations from Galpins in relation to the establishment of a Credit Card Policy.</p>

2.5.2 GM's credit card statements and transactions were not reviewed by the Board or the audit committee

Low

Control

There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures.

Risk

Credit cards are used for purchase of a personal nature.

Finding	Recommendations	Management Response
<p>Audit selected a sample of credit cards statements and credit card transactions for three card holders for two different months. We noted that the General Manager's credit card statements and transactions for the months of December and March were approved by the Manager of Business Services (i.e. an Authority officer who reports to the General Manager).</p> <p>Recent credit card audits performed by the SA Auditor-General's Department (<i>Examination of Credit Card Use and Management for a number of councils in SA – March 2020</i>) indicated that better practice is for the Chief Executive's credit card transactions to be reviewed by the audit committee to ensure expenditure is reasonable and bona fide.</p> <p>The Victorian Auditor-General's Office (<i>Fraud and Corruption Control in Local Government audit – June 2019</i>) consider better practice to refer the Chief Executive credit card full transaction history to the audit committee or Council. The Western Australian Auditor General's report (<i>Controls Over Corporate Credit Cards – May 2018</i>) considers it better practice to report the Chief Executive's credit card transactions to Council on a regular basis.</p> <p>In the context of East Waste's structure, 'Chief Executive' is equivalent to the General Manager position, and 'Council' is equivalent to the Board.</p>	<p>The Authority considers the appropriateness of current review practices for the General Manager's credit card transactions.</p> <p>Better practice provided by credit card audits performed by Auditor-General's departments across Australia suggests that this process can be improved by reporting the General Manager's credit card transactions to the Board or to the audit committee.</p>	<p>Management will commit to reviewing the current process for authorising the General Manager's credit card transactions and credit card statements. This will be considered in conjunction with the development of a Credit Card Policy. Through the Audit & Risk Management Committee Management will seek guidance on an appropriate process going forward.</p>

2.5.3 Credit card holders are not required to sign a declaration confirming compliance with Authority policy and procedures prior to the Credit Card being released

Low

Control Credit card holders sign a declaration confirming compliance with the Authority policy and procedures prior to the Credit Card being released.

Risk Credit Cards are used for purchases of a personal nature.

Finding	Recommendations	Management Response
Credit card holders are not required to sign a declaration confirming knowledge of and agreement with the Authority's policy and procedures prior to the Credit Card being released.	Ensure that credit card holders are required to sign a declaration confirming knowledge of and agreement with the Authority's policy and procedures prior to the Credit Card being released (see example below).	Management will implement a process immediately following establishment of a formal Credit Card Policy, where prior to issuing a corporate credit card an 'Agreement and Acknowledgement by Card Holder' is agreed to and signed by the cardholder.

Example of an 'Agreement and Acknowledgement by Card Holder'

AGREEMENT AND ACKNOWLEDGEMENT BY CARD HOLDER

Card Holder: _____

Position: _____

I understand and agree that a purchase card is issued to me on the express conditions that I will, at all times, comply with the following conditions:

- | | |
|--|---|
| 1. The card is the property of East Waste and is in my possession under my strict control | 5. If I resign, retire, cease employment or transfer to another entity, I will immediately hand my card to the officer responsible for the administration of purchase cards in the Authority for cancellation |
| 2. I will not use the card nor permit it to be used, for other than official Authority use | 6. If I misuse the card, I understand that the Authority may take disciplinary action and proceedings may be instituted against me under law |
| 3. I may only use the card to the pre-set limit in any one transaction up to monthly pre-set credit limit | 7. If the card is lost or stolen, I am to report it immediately to the credit card provider and the officer in the Authority responsible for authorising the issue of the card |
| 4. I may only use the card in accordance with the Authority's established procurement and credit card policies and management instructions | 8. I have read and understand the credit card conditions of use. |

I acknowledge that I have read and understood the conditions set out above which govern the issue and the use of the Authority's credit card in my name.

Signature of card holder

Date

APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS

USER CHARGES

Risks

- | | |
|----|---|
| R1 | The fee charged does not reasonably reflect the value of the services provided. |
| R2 | The Authority does not apply User Pay principles consistently. |
| R3 | User pay income is either inaccurately recorded or not recorded at all. |

RISKS	Control	Control Type
R1, R2	There is a process in place to establish fees and charges (including GST treatment) which are reviewed annually and adopted by the Authority.	Core
R1	Fees and Charges register is maintained and made available to the public. Additional considerations for waste management authorities: The Authority maintains a fees and charges master file in the billing system, which can only be modified by authorised staff members.	Core
R2	There is a process in place to ensure the fees and charges are applied in accordance with those adopted in the fees and charges register. Additional considerations for waste management authorities: There is a process to ensure that fees and charges master file data in the billing system is updated on a regular basis based on contracts and/or fees and charges approved by the Board.	Core
R1, R2	There is a process in place to ensure that amounts charged are in accordance with the Authority's Fees and Charges register. Additional considerations for waste management authorities: There is a process in place to ensure that invoices are generated by the billing system in accordance with the fees and charges master file.	Core
R1, R2	There is a process in place to ensure that fee for service income is accounted for. Additional considerations for waste management authorities: There is process to ensure that billing data is accounted for in accordance with data collected by the weigh bridge (e.g. tonnages, fees and charges master file data) and reconciled to the general ledger.	Core

BANKING

Risks

- | | |
|----|---|
| R1 | Banking transactions are either inaccurately recorded or not recorded at all. |
| R2 | Fraud (i.e. misappropriation of funds) |

RISKS	Control	Control Type
R1,R2	There is a process in place to ensure all cash collected is adequately recorded and banked regularly.	Core
R1	Access to EFT Banking system is restricted to appropriately designated personnel.	Core
R1,R2	Bank reconciliations are performed on a predetermined basis and are reviewed by an appropriate person. Any identified discrepancies are investigated.	Core

Purchasing and Procurement

Risks

- R1 The Authority does not obtain value for money in its purchasing and procurement.
- R2 Purchases of goods and services are made from non-preferred suppliers.
- R3 Purchase orders are either recorded inaccurately or not recorded at all.
- R4 Purchase orders are made for unapproved goods and services.
- R5 Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1	The Authority has a Procurement Policy that provides direction on acceptable methods and the process for procurement activities to ensure transparency and value for money within a consistent framework, with consideration of any potential conflicts of interest.	Core
R1,R2	Employees must ensure all purchases are in accordance with the Authority's Procurement Policy and approved in accordance with the Delegations of Authority and other relevant policies.	Core
R3	There is a process in place to ensure all invoices for payment are matched to relevant source documents such as purchase orders where applicable and are in line with Procurement Policy guidelines.	Core

ACCOUNTS PAYABLE

Risks

- R1 Accounts payable amounts and disbursements are either inaccurately recorded or not recorded at all.
- R2 Credit notes and other adjustments to accounts payable are either inaccurately recorded or not recorded at all.
- R3 Disbursements are not authorised properly.
- R4 Accounts are not paid on a timely basis.
- R5 Supplier master file data does not remain pertinent and/or unauthorised changes are made to the supplier master file.

RISKS	Control	Control Type
R1	Payments are endorsed by relevant staff separate to the preparer, who ensures that they are paid to the correct payee.	Core
R3	All invoices and payment requests are approved in accordance with relevant policies and/or Delegations of Authority.	Core
R1	Payments are verified to appropriate supporting documentation and are in line with Delegations of Authority.	Core
R5	Requested changes or additions to supplier masterfile are verified independently of source documentation.	Additional

CREDIT CARDS

Risks

- R1 Credit Cards are issued to unauthorised employees.
- R2 Credit Cards are used for purchases of a personal nature.
- R3 Credit Card limits are set at inappropriate levels.

RISKS	Control	Control Type
R1,R3	There is a process in place to ensure there are appropriate approvals prior to the issuing of Credit Cards and limits.	Core
R1,R2	Credit card holders sign a declaration confirming compliance with the Authority policy and procedures prior to the Credit Card being released.	Core
R2	There is a process in place to approve all credit card transactions to ensure compliance with the policies and procedures covering credit card usage.	Core
R2	Cardholders must check their statement to ensure all transactions are correct and identify any transactions of a personal nature which must be reimbursed to the Authority.	Core

PAYROLL

Risks

- R1 Payroll expense is inaccurately calculated.
- R2 Payroll disbursements are made to incorrect or fictitious employees.
- R3 Time and/or attendance data is either invalid, inaccurately recorded or not recorded at all.
- R4 Payroll master file does not remain pertinent and/or unauthorised changes are made to the payroll master file.
- R5 Voluntary and statutory payroll deductions are inaccurately processed or without authorisation.
- R6 Employees termination payments are not in accordance with statutory and enterprise agreements.

RISKS	Control	Control Type
R1	There is a process in place to ensure accurate data entry of payroll source documents.	Core
R1, R3	There is a process to ensure all overtime is verified and approved by relevant appropriate staff.	Core
R1	All calculations for generating payroll payments are verified for accuracy.	Core
R2	The payment for the payroll must be reconciled to a system generated report detailing amount and employee prior to payment.	Core
R2	There is a process to ensure an independent review of proposed payroll payments by authorised staff.	Additional
R3	Relevant staff are required to complete timesheets and/or leave forms, authorise them and have approved by the relevant supervisor.	Core

GENERAL LEDGER

Risks

- | | |
|----|--|
| R1 | General Ledger does not contain accurate financial information |
| R2 | Data contained within the General Ledger is permanently lost. |

RISKS	Control	Control Type
R1	All journals, including manual entries, identify date posted, narration, author, journal and posting reference.	Core
R1,R2	Access to General Ledger maintenance is restricted to appropriately authorised personnel.	Core
R1	Reconciliation of all balance sheet accounts are completed in accordance with a schedule of review and/or procedure.	Core
R1	All balance sheet reconciliations are reviewed by a person other than the preparer at least annually.	Core
R1	Journal entry access is restricted to appropriately authorised personnel.	Core
R1	There is a process in place to review actual vs budget and significant variances investigated.	Core

9.3 Draft Internal Audit Charter

Report Author Coordinator Finance & Strategic Projects

Attachments A: Galpins Interim Audit Management Letter

Purpose and Context

To provide the Board with an opportunity to review the draft *East Waste Internal Audit Charter* and opportunity to provide input prior to presenting to the Board for endorsement.

Recommendation

That the Board:

- 1. Adopt the East Waste Internal Audit Charter, as presented in Attachment A, to assist with maintaining best practice standards and an on-going high level of compliance.***
- 2. Authorises a budget variation in FY2025 of up to \$25,000 for the engagement of an external service provider to assist in the development of an Internal Audit Plan.***

Strategic Link

Objective 5. Provide Leadership

Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

Given the increased scope and complexity surrounding East Waste's operations in recent years, the potential need for an ongoing internal audit function at East Waste has been at the forefront of discussions within the Executive Leadership Team over the past 12 months. At the Audit & Risk Management Committee meeting held on 23 April 2024, the Committee recommended that East Waste should develop and implement an Internal Audit Program.

Discussion

Administration has collaborated with Dean Newbery & Partners to prepare the draft Internal Audit Charter (Refer attachment A) specifically for East Waste and the scope of our activities. The Audit & Risk Management Committee considered the draft Internal Audit Charter at the 19 June 2024 meeting and provided recommended changes to the Internal Audit Charter which have been incorporated in the revised Charter included in this Agenda for the Board's consideration.

The Charter has been developed with reference to a number of Member Council Policies and to ensure compliance and consistency with a number of elements including:

- International Professional Practices Framework (IPPF) as set by The Institute of Internal Auditors (IIA).
- The IIA's code of ethics.
- *Local Government Act 1999* (including applicable regulations).
- East Waste Charter.

At the Audit & Risk Management Committee Meeting held 19 June 2024, it was resolved:

9.2 Draft Internal Audit Charter

Moved Ms L Green that the Audit & Risk Management Committee recommend that the Draft East Waste Interim Audit Charter, as presented in Attachment A, is presented to the East Waste Board for adoption.

Seconded Mr F Bell

Carried

Following endorsement of the Charter, the intent is to engage an external service provider who will undertake an assurance mapping exercise of East Waste's operations and conduct a risk assessment over the internal control operation across risk management, governance, compliance activities, and internal controls across East Waste's operations. The results from the risk assessment undertaken will provide the basis on which a proposed *Internal Audit Plan* will be developed (Stage 2). Consultation through the Audit & Risk Management Committee and the Board will be undertaken on the *Internal Audit Plan* and no internal auditing will commence until the Plan has been endorsed by the Board.

Given this function does not currently have an allocated budget for FY2025 year, Administration is seeking approval from the Board for a budget variation of up to \$25,000 in FY2025 being the estimated cost of implementing the Audit & Risk Management Committee's recommendation of engaging an external service provider to undertake the assurance mapping, risk assessment and development of the Internal Audit Plan.

Alternatively, the Board may adopt the Charter and direct Administration to develop the Internal Audit Plan for initial consultation and Review by the Audit & Risk Committee, with a view to engage a consultant in the second half of the FY2025, if appropriate savings can be identified to deliver the first physical internal audits. Similarly, the Board may adopt the Charter and choose to hold any further activities relating to the Charter over until the FY26 year when appropriate funding for the activity can be budgeted.

Internal Audit Charter

Type	Governance
Category	Internal Audit
First Issued/Adopted	June 2024
Minutes Reference	N/A
Review Period	36 months
Last Reviewed	N/A
Next Review	June 2027
Applicable Legislation	<ul style="list-style-type: none"> Local Government Act 1999
Related Documents	<ul style="list-style-type: none"> East Waste Charter Audit & Risk Committee Terms of Reference.
Consultation Undertaken	<ul style="list-style-type: none"> Audit & Risk Committee
Responsible Officer	Coordinator Finance & Strategic Projects

SIGNED:

General Manager

Date:

.....

Chairperson

Date:

1. Establishment

- 1.1 The Internal Audit Charter has been developed by East Waste to establish and maintain a working framework for the Internal Audit function. Internal Audit sits within East Waste's corporate governance and assurance frameworks.
- 1.2 The Internal Audit Charter defines the objectives, roles and responsibilities of the Internal Audit function within East Waste.

2. Independence & Objectivity

- 2.1 The Internal Auditor must adhere to the professional independence standards established by the Institute of Internal Auditors. To maintain objectivity in their role, the Internal Auditor must operate independently, ensuring they can act without bias or conflicts of interest.
- 2.2 The Internal Auditor should not hold any management responsibilities or direct authority over activities and operational functions. This includes refraining from influencing the design or implementation of internal controls, preparation of records, procedures, and the development or installation of systems, as such involvement would compromise their independence and objectivity.
- 2.3 The Internal Auditor is to be accountable to the General Manager who is responsible for the effective and efficient performance of the Internal Audit Program with oversight undertaken by the Audit & Risk Committee.

3. Internal Audit Objectives

- 3.1 The Internal Auditor is tasked with providing independent and objective services to East Waste aiming to enhance strategic objectives and improve systems and processes.
- 3.2 Oversight of Internal Audit is the responsibility of the Audit & Risk Committee, which ensures compliance with this Charter and oversees the development and implementation of the Internal Audit Plan. This plan is created using a risk-based approach to identify and schedule internal audit engagements.
- 3.3 An appropriately qualified external internal audit service provider engaged by East Waste in accordance with procurement policies and procedures, will conduct the Internal Audit function. The Board must ensure that East Waste appropriately allocates sufficient resources within the annual budget to fulfill the requirements of the Internal Audit Plan.

4. Internal Audit Program

- 4.1 The Audit & Risk Committee is responsible for establishing and overseeing the Internal Audit Program. This program is limited to a minimum of two years and a maximum of five years and is reviewed and updated annually by the Audit & Risk Committee before each financial year begins. This ensures the timing and scope of the planned internal audit engagements are confirmed. Internal Audit Plans

follow a twelve-month financial year calendar, spanning from July 1 to June 30 of the respective year.

- 4.2 The scope of the Internal Audit Program includes examining and evaluating the adequacy and effectiveness of risk management, governance, internal processes, compliance activities, and internal controls.

5. Communication

5.1 The Internal Auditor will report their findings to the Audit & Risk Committee. All reports prepared by the Internal Auditor will be communicated to the Committee, with copies included in the meeting agenda. The Internal Auditor is expected to attend the Audit & Risk Committee meetings to present their reports unless the Chairperson agrees in advance that attendance is not necessary.

5.2 The Board will be informed of the findings and outcomes of all Internal Audit Reports presented to the Audit & Risk Committee.

6. Authority

6.1 The Internal Auditor reports directly to the Audit & Risk Committee, with day-to-day responsibilities overseen by the General Manager or their delegate. The Audit & Risk Committee is responsible for the appointment and performance oversight of the Internal Auditor, ensuring the appointment adheres to applicable procurement policies and procedures.

6.2 The Internal Auditor has direct communication access to the Chairperson of the Audit & Risk Committee and reports to them and the General Manager, on the Internal Audit Plans, as well as the results and recommendations of internal audits.

7. Standards

In conducting the internal audit activities, the Internal Auditor is to conduct the engagement in accordance with:

- International Professional Practices Framework (IPPF) as set by The Institute of Internal Auditors (IIA).
- The IIA's code of ethics.
- East Waste Charter.
- Audit & Risk Committee Terms of Reference.
- *Local Government Act 1999* (including applicable regulations).
- This Charter.

8. Roles & Responsibilities

8.1 The responsibilities of the Internal Auditor include:

- Conducting internal audits according to the Internal Audit Plan to ensure timely completion of engagements.
- Developing the Internal Audit Plan in consultation with the Audit & Risk Committee.

- Performing internal audits in line with the principles of this Charter and any applicable policies.

8.2 The Internal Audit process may follow these steps:

- Draft Internal Audit Reports are first provided to the Administration for review and comment on the audit findings.
- The Administration must respond to all findings and recommendations in the draft Report.
- The Administration should provide detailed action plans or responses to all audit issues, including the Responsible Officer and Expected Timeframe for any actions to address the issues raised.
- A final copy of the Internal Audit Report is given to the General Manager (or delegate) and the Chairperson of the Audit & Risk Committee.
- The final Internal Audit Report is presented at the next scheduled Audit & Risk Committee meeting.
- The Internal Auditor should attend the Audit & Risk Committee meeting to present their Report unless prior agreement with the Chairperson exempts them from attending.

8.3 Additional responsibilities include:

- Tracking and monitoring the responsiveness to outstanding Internal Audit recommendations and actions, and reporting any overdue matters not appropriately addressed to the General Manager (or delegate) and Chairperson of the Audit & Risk Committee.
- Assisting with other investigations, including fraud investigations, as requested, with results reported directly to the General Manager, Chairperson of the Audit & Risk Committee, and Chairperson of the Board.

8.4 If the Internal Auditor provides advisory services, they must maintain their operational independence regarding the scope of work performed.

8.5 Any services requested outside the scope of the Internal Audit Plan must be considered by the Audit & Risk Committee before engagement to ensure compliance with the Charter's principles.

9. Review of Charter

A review of the Internal Audit Charter is to be undertaken at least every 3 years from the initial date of adoption by the Audit & Risk Committee. The Internal Audit Charter is to be presented to the Board for their endorsement and approval.

9.4 Annual Review of Items Held in Confidence

Report Author General Manager

Attachments A: Confidential Orders Recommended to be Remade
B: Confidential Orders Recommended for Release by General Manager

Purpose and Context

To provide the Board with an opportunity to review the items currently listed on the East Waste 'Register of Remaining Confidential Orders' and to remake the Orders on items deemed to be retained in confidence for a further period of time.

It is important to note this report does not provide details of the topics or items held in confidence. Should any discussion on the topics be required, the East Waste Board will need to resolve to go into confidence for each item discussed.

Recommendation

That the East Board Waste Board:

1. ***Notes that an annual review of all items held in confidence under section 91(9) of the Local Government Act 1999 has been undertaken.***
2. ***Following the annual review of the items held in confidence remakes the orders on the following items as listed in Attachment A, to Item 9.4, Ordinary Board Meeting 27 June 2024, and detailed below:***
 - a. ***Item 1- Constituent Council Direction***
 - i. ***Pursuant to section 91(7) and (9) of the Local Government Act 1999, the East Waste Board orders that the confidentiality order the subject of Minute Number 9.1 of the Special East Waste Board Meeting held on 1 July 2021 concerning the Constituent Council Direction remain confidential on the basis that disclosure of the information contained within the associated Report and Attachments would disclose information of a commercially sensitive and legal nature pursuant to section 90(3)(d) and (h) of the Local Government Act 1999 and will not be available for public inspection until further order.***
 - ii. ***This confidentiality order will be reviewed by the East Waste Board at least once in every 12-month period.***
 - b. ***Item 2 – Contract Matter***
 - i. ***Pursuant to section 91(7) and (9) of the Local Government Act 1999, the East Waste Board orders that the confidentiality order the subject of Minute Number 9.1 of 1 of the Special East Waste Board Meeting held on 8 July 2021 concerning the Contract Matter remain confidential on the basis that disclosure of the information contained within the associated Report and Attachments would disclose information of a commercially sensitive and legal nature pursuant to section 90(3)(d) and (h) of the Local Government Act 1999 and will not be available for public inspection until further order.***

- ii. ***This confidentiality order will be reviewed by the East Waste Board at least once in every 12-month period.***
- c. **Item 3 – Contract Matter**
 - i. ***Pursuant to section 91(7) and (9) of the Local Government Act 1999, the East Waste Board orders that the confidentiality order the subject of Minute Number 9.1 of 1 of the Special East Waste Board Meeting held on 22 July 2021 concerning the Contract Matter remain confidential on the basis that disclosure of the information contained within the associated Report and Attachments would disclose information of a commercially sensitive and legal nature pursuant to section 90(3)(d) and (h) of the Local Government Act 1999 and will not be available for public inspection until further order.***
 - ii. ***This confidentiality order will be reviewed by the East Waste Board at least once in every 12-month period.***
- d. **Item 4 – Legal Matter**
 - i. ***Pursuant to section 91(7) and (9) of the Local Government Act 1999, the East Waste Board orders that the confidentiality order the subject of Minute Number 9.4 of the Ordinary East Waste Board Meeting held on 30 September 2021 concerning the Legal Matter remain confidential on the basis that disclosure of the information contained within the associated Report and Attachments would disclose information of a commercially sensitive and legal nature pursuant to section 90(3)(d) and (h) of the Local Government Act 1999 and will not be available for public inspection until further order.***
 - ii. ***This confidentiality order will be reviewed by the East Waste Board at least once in every 12-month period.***
- e. **Item 5 – Verbal Update: Organics Contract Matter**
 - i. ***Pursuant to section 91(7) and (9) of the Local Government Act 1999, the East Waste Board orders that the confidentiality order the subject of Minute Number 9.3 of the Ordinary East Waste Board Meeting held on 25 November 2021 concerning the Verbal Update: Organics Contract Matter remain confidential on the basis that disclosure of the information contained within the associated Report and Attachments would disclose information relating to a tender for the supply of goods or for the provisions of services and legal advice pursuant to section 90(3)(k) and (h) of the Local Government Act 1999 and will not be available for public inspection until further order.***
 - ii. ***This confidentiality order will be reviewed by the East Waste Board at least once in every 12-month period.***
- f. **Item 8 – Legal Matter Resolution**
 - i. ***Pursuant to section 91(7) and (9) of the Local Government Act 1999, the East Waste Board orders that the confidentiality order the subject of Minute Number 9.4 of the Ordinary East Waste Board Meeting held on 24 February 2022 concerning the Legal Matter Resolution remain confidential on the basis that disclosure of the information contained within the associated Report and Attachments would disclose information of a commercially sensitive and legal nature pursuant to section 90(3)(d) and (h) of the Local Government Act 1999 and will not be available for public inspection until further order.***
 - ii. ***This confidentiality order will be reviewed by the East Waste Board at least once in every 12-month period.***

- g. Item 24 – Review of Confidential Orders**
 - i. Pursuant to section 91(7) and (9) of the Local Government Act 1999, the East Waste Board orders that the confidentiality order the subject of Minute Number 9.1 of the Ordinary East Waste Board Meeting held on 23 June 2023 concerning the Review of Confidential Orders remain confidential on the basis that disclosure of the information contained within the associated Report and Attachments would disclose information of a commercially sensitive and legal nature pursuant to section 90(3)(d) and (h) of the Local Government Act 1999 and will not be available for public inspection until further order.**
 - ii. This confidentiality order will be reviewed by the East Waste Board at least once in every 12-month period.**
 - h. Item 28 – Contract Evaluation Report**
 - i. Pursuant to section 91(7) and (9) of the Local Government Act 1999, the East Waste Board orders that the confidentiality order the subject of Minute Number 9.1 of the Audit and Risk Management Committee Meeting held on 5 August 2022 concerning the Contract Evaluation Report remain confidential on the basis that disclosure of the information contained within the associated Discussion and Attachment would disclose information of a commercially sensitive nature pursuant to section 90(3)(d) of the Local Government Act 1999 and will not be available for public inspection until further order.**
 - ii. This confidentiality order will be reviewed by the East Waste Board at least once in every 12-month period.**
 - i. Item 29 - Tender Assessment**
 - i. Pursuant to section 91(7) and (9) of the Local Government Act 1999, the East Waste Board orders that the confidentiality order the subject of Minute Number 9.1 of the Ordinary Board Meeting held on 11 August 2022 concerning the Tender Assessment remain confidential on the basis that disclosure of the information contained within the associated Discussion and Attachment would disclose information relating to a tender for the supply of goods or for the provisions of services pursuant to section 90(3)(k) of the Local Government Act 1999 and will not be available for public inspection until further order.**
 - ii. This confidentiality order will be reviewed by the East Waste Board at least once in every 12-month period.**
 - j. Item 30 – Recycling Contract**
 - i. Pursuant to section 91(7) and (9) of the Local Government Act 1999, the East Waste Board orders that the confidentiality order the subject of Minute Number 9.2 of the Ordinary Board Meeting held on 11 August 2022 concerning the Recycling Contract remain confidential on the basis that disclosure of the information contained within the associated Discussion and Attachment would disclose information relating to a tender for the supply of goods or for the provisions or services to section 90(3)(k) of the Local Government Act 1999 and will not be available for public inspection until further order.**
 - ii. This confidentiality order will be reviewed by the East Waste Board at least once in every 12-month period.**
- 3. That pursuant to section 91(9)(c) of the Local Government Act 1999 the East Waste Board delegates to the General Manager to revoke, in whole or in part, the confidential orders associated with the items presented in Attachment B, Item 9.4, Ordinary Board Meeting 27 June 2024, as the orders become due.**

Strategic Link

Objective: 5. Provide Leadership

Strategy: 5.4 Quality & Transparent Corporate (Governance & Finance) activities.

Background

The *Local Government Act 1999*, requires that subsidiary Board and Committee meetings be held in public except in special circumstances. *Section 90* of the *Local Government Act 1999* details the provisions for when a Board or Committee may order that the public be excluded from attendance at a meeting for the purposes of receiving, discussing or considering confidential information.

The Board may also order that some or all the documents and minutes associated with the item be kept confidential. In the event this occurs, the Board must specify the circumstances in which the order will cease to apply e.g. the event which will trigger release of the item from confidentiality. The Items are recorded on the 'Register of Remaining Confidential Orders'.

In some instances, the Board or Committee may delegate the power to revoke the order to an employee of the subsidiary (eg. the CEO or General Manager). In any event, in accordance with section 91(9) of the *Local Government Act 1999*, any order that operates for a period exceeding 12 months must be reviewed at least once every year. The East Waste Board last undertook a review of the 'Register of Remaining Confidential Orders' on 22 June 2023.

Discussion

East Waste seeks to conduct its business in openness and transparency in accordance with Section 90(1) of the *Local Government Act 1999* and utilises the confidentiality provisions of Sections 90(2) and 90(3) of the Act with discretion.

East Waste Administration maintains the 'Register of Remaining Confidential Orders' which outlines the information which the East Waste Board and its Committees have retained in confidence. The Committees most usually delegate the power to revoke and review confidential orders they have made to the East Waste Board.

Whilst the disclosure of confidential matters would enhance the accountability and transparency of East Waste in the performance of its powers, duties and responsibilities, the public interest has been outweighed with regard to the release of certain information at this time and the continuation of confidential orders has been recommended accordingly. The grounds for the confidentiality orders are in accordance with Section 90(3) of the *Local Government Act 1999*.

This report recommends that the East Waste Board:

- a. remakes the orders on 10 Confidential Items, as listed on Attachment A for a period until the East Waste Board makes a further order to release the document from Confidence. This is the best practice method to ensure that confidential orders are appropriately retained in confidence and are not inappropriately released from confidence when a date is reached, and if the order is not remade, released automatically to the public.
- b. notes that it is recommended that the East Waste Board, pursuant to Section 91(9)(c) of the *Local Government Act 1999*, delegates to the General Manager of East Waste the power to revoke, in whole or in part, the Confidential Orders listed on Attachment B at the time their individual orders expire.

The aim of this report is to review and remake the relevant Section 91(7) orders where appropriate, based on the reasoning provided in Attachment A next to each item. It is recommended that these orders be remade to ensure a clear and accurate record for the public as to the exact confidential status of each item and all its aspects (e.g. minutes, report and attachments). This report does not seek to amend any other component of the Board or Committee resolutions relating to these items.

Adoption of the recommended items for release as per Attachment B, will reduce the number of documents held in confidence by over 60%.

ORDERS RECOMMENDED TO BE HELD IN CONFIDENCE

Item No.	MEETING TYPE	REPORT DATE	Minute NO.	REPORT TITLE	SECTION NO.	INITIAL CONFIDENTIALITY ORDER MADE	2022 REVIEW (June)	2023 REVIEW (June)	2024 REVIEW (June)
1	Board (Special)	07/01/2021	9.1	CONSTITUENT COUNCIL DIRECTION	90 (3) (d)(h)	Report, minutes, attachment(s) and discussion be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.	Recommendation: Retain the Report and Attachments as confidential for a further period of 12months, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.	Recommendation: Retain the Report and Attachments as confidential for a further period of 12months, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.	Recommendation: Retain the Report and Attachments as confidential until further, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.
2	Board (Special)	07/08/2021	9.1	CONTRACT MATTER	90 (3) (d)(h)	Report, minutes, attachment(s) and discussion be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.	Recommendation: Retain the Report and Attachments as confidential for a further period of 12months, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.	Recommendation: Retain the Report and Attachments as confidential for a further period of 12months, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.	Recommendation: Retain the Report and Attachments as confidential until further order, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.
3	Board (Special)	07/22/2021	9.1	CONTRACT MATTER	90 (3) (d)(h)	Report, minutes, attachment(s) and discussion be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.	Recommendation: Retain the Report and Attachments as confidential for a further period of 12months, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.	Recommendation: Retain the Report and Attachments as confidential for a further period of 12months, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.	Recommendation: Retain the Report and Attachments as confidential until further order, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.
4	Board	09/30/2021	9.4	LEGAL MATTER	90(2) and (3) (h)(d)	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.	Recommendation: Retain the Report and Attachments as confidential for a further period of 12months, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.	Recommendation: Retain the Report and Attachments as confidential for a further period of 12months, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.	Recommendation: Retain the Report and Attachments as confidential until further order, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.
5	Board	11/25/2021	9.3	VERBAL UPDATE: ORGANICS CONTRACT MATTER	90(2) and (3) (k)	The 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.	Recommendation: Retain the Report and Attachments as confidential for a further period of 12months, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.	Recommendation: Retain the Report and Attachments as confidential for a further period of 12months, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.	Recommendation: Retain the Report and Attachments as confidential until further order, prior to reviewing. Reasoning: Information contained within the Report, discussion and attachments remains legally and commercially sensitive. Legal advice sought suggests retaining in confidence.
8	Board	02/24/2022	9.4	LEGAL MATTER RESOLUTION	90(2) and (3) (h)(d)	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.	Recommendation: Retain the report, attachments, discussion as confidential for a further period of 12 months, prior to reviewing. Reasoning: Information contained within the discussion remains legally and commercially sensitive and the matter is ongoing.	Recommendation: Retain discussion as confidential for a further period of 12 months, prior to reviewing. Reasoning: Information contained within the discussion remains legally and commercially sensitive and the matter is ongoing.	Recommendation: Retain discussion as confidential for a further period of 12 months, prior to reviewing. Reasoning: Information contained within the discussion remains legally and commercially sensitive and the matter is ongoing.
24	Board	06/23/2023	9.1	REVIEW OF CONFIDENTIAL ORDERS	90(2) and (3) (b)(d)(h)	Attachment A to the Report, and discussion be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.			Recommendation: Retain the attachment and discussion as confidential until further order, prior to reviewing. Reasoning: Information contained within the discussion remains legally and commercially sensitive and the matter is ongoing.
28	Audit & Risk	08/05/2022	9.1	CONTRACT EVALUATION REPORT	90(2) and (3) (k)	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		Recommendation: Retain the attachment and discussion as confidential for a further period of 12 months, prior to reviewing. Reasoning: Information contained within the discussion remains legally and commercially sensitive and the matter is ongoing.	Recommendation: Retain the attachment and discussion as confidential until further order, prior to reviewing. Reasoning: Information contained within the discussion remains commercially sensitive and could materially impact on the recycling processing tender process to be undertaken within the next 12 months.

Item No.	MEETING TYPE	REPORT DATE	Minute NO.	REPORT TITLE	SECTION NO.	INITIAL CONFIDENTIALITY ORDER MADE	2022 REVIEW (June)	2023 REVIEW (June)	2024 REVIEW (June)
29	Board	08/11/2022	9.1	TENDER ASSESSMENT	90(2) and (3) (k)	The report, minutes, and discussion be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed by the East Waste Board		<p>Recommendation: Retain the attachment and discussion as confidential for a further period of 12 months, prior to reviewing.</p> <p>Reasoning: Information contained within the discussion remains legally and commercially sensitive and the matter is ongoing.</p>	<p>Recommendation: Retain the attachment and discussion as confidential until further order, prior to reviewing.</p> <p>Reasoning: Information contained within the discussion remains commercially sensitive and could materially impact on the recycling processing tender process to be undertaken within the next 12 months.</p>
30	Board	08/11/2022	9.2	RECYCLING CONTRACT	90(2) and (3) (k)	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		<p>Recommendation: Retain the attachment and discussion as confidential for a further period of 12 months, prior to reviewing.</p> <p>Reasoning: Information contained within the discussion remains legally and commercially sensitive and the matter is ongoing.</p>	<p>Recommendation: Retain the attachment and discussion as confidential until further order, prior to reviewing.</p> <p>Reasoning: Information contained within the discussion remains commercially sensitive and could materially impact on the recycling processing tender process to be undertaken within the next 12 months.</p>

ORDERS RECOMMENDED TO BE RELEASED BY GENERAL MANAGER EAST WASTE

No.	MEETING TYPE	REPORT DATE	ITEM NO.	REPORT TITLE	SECTION NO.	INITIAL CONFIDENTIALITY ORDER MADE	2023 REVIEW (June)	2024 REVIEW (June)
6	Audit & Risk	02/15/2022	9.2	VERBAL UPDATE: CONTRACTS	90(2) and (3) (h) (k)	The 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.	Recommendation: Retain discussion as confidential for a further period of 12 months, prior to reviewing. Reasoning: Information contained within the discussion remains legally and commercially sensitive and the matter is ongoing.	Recommendation: Release the discussion and minutes. Reasoning: The minutes are generic in nature and do not disclose any legal advise or professional privilege on the matters discussed at the time.
19	Audit & Risk	06/14/2022	9.2	CONTRACT EVALUATION REPORT	90(2) and (3) (k)	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.	Recommendation: Retain the attachment and discussion as confidential for a further period of 12 months, prior to reviewing. Reasoning: Information contained within the discussion remains legally and commercially sensitive and the matter is ongoing.	Recommendation: Release the attachment and Discussion Reasoning: Sufficient time has subsequently passed and similar movement in the recycling market renders the detail and pricing in the report no longer commercially sensitive.
21	Board	06/15/2022	9.1	CONTRACT EVALUATION REPORT	90(2) and (3) (k)	The report, attachments, discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.	Recommendation: Retain the attachment and discussion as confidential for a further period of 12 months, prior to reviewing. Reasoning: Information contained within the discussion remains legally and commercially sensitive and the matter is ongoing.	Recommendation: Release the attachment and Discussion Reasoning: Sufficient time has subsequently passed and similar movement in the recycling market renders the detail and pricing in the report no longer commercially sensitive.
26	Board	06/23/2022	9.3	CONTRACT UPDATE (late paper)	90(2) and (3) (k)	The report, attachments, discussion and minutes be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed.	Recommendation: Retain the attachment and discussion as confidential for a further period of 12 months, prior to reviewing. Reasoning: Information contained within the discussion remains legally and commercially sensitive and the matter is ongoing.	Recommendation: Release the attachment and Discussion Reasoning: Sufficient time has subsequently passed and similar movement in the recycling market renders the detail and pricing in the report no longer commercially sensitive.
37	Audit & Risk	21/02/2024	10.1	EXTERNAL AUDITORS CONTRACT	90(2) and 90(3)(k)	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.		Recommendation: Release Reasoning: No commercial or legal sensitivity remains
38	Audit & Risk	21/02/2024	10.2	EAST WASTE BUSINESS OPERATIONS CENTRE CONSIDERATIONS	90(2) and 90(3)(d)(i) and (ii)	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.		Recommendation: Release upon signing of a new Lease term Reasoning: No commercial or commercially competitive market will remain following signing of a new lease for 1 Temple Court Ottaway.
39	Board	29/2/2024	10.1	EXTERNAL AUDITORS CONTRACT	90(2) and 90(3)(k)	That the report, attachment(s), be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed by the East Waste Board.		Recommendation: Release Reasoning: No commercial or legal sensitivity remains
40	Board	29/2/2024	10.2	EAST WASTE BUSINESS OPERATIONS CENTRE CONSIDERATIONS	90(2) and 90(3)(d)(i) and (ii)	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.		Recommendation: Release upon signing of a new Lease term Reasoning: No commercial or commercially competitive market will remain following signing of a new lease for 1 Temple Court Ottaway.
41	Board	29/2/2024	10.3	GENERAL MANAGER KEY PERFORMANCE INDICATORS 2023/24	90(2) and 90(3)(d)(i) and (ii)	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.		Recommendation: Release Reasoning: No sensitivity associated with the setting of the key Performance Indicators
42	Board	14/3/2024	6.1	DRAFT 2024/25 ANNUAL PLAN & BUDGET	90(2) and 90(3)(d)(i) and (ii)	That the discussion and Attachment B, be kept confidential for a period not exceeding 12 months, after which time the order will be reviewed by the East Waste Board.		Recommendation: Release upon signing of a new Lease term Reasoning: No commercial or commercially competitive market will remain following signing of a new lease for 1 Temple Court Ottaway.

9.5 East Waste Strategic Plan Review - Next Steps

Report Author General Manager

Attachments Nil

Purpose and Context

To provide the East Waste Board with an overview of the next steps in the review of the 2030 East Waste Strategic Plan.

Recommendation

That the East Waste Board notes and endorses the broad process to be undertaken in order to deliver a comprehensive review of the 2030 East Waste Strategic Plan and development of a revised document.

Strategic Link

Objective: 5. Provide Leadership

Strategy: 5.4 Quality & Transparent Corporate (Governance & Finance) activities.

Background

The East Waste Charter details the requirements of a 10-year Strategic Plan (referred to as a Business Plan) which are outlined below.

43. ABOUT A BUSINESS PLAN

- 43.1 *The Board must prepare at least a ten-year Business Plan for the region, in a collaborative manner with Constituent Councils which cannot be in conflict with this Charter.*
- 43.2 *The Board must also prepare a ten-year Long Term Financial Plan (which, must include principles detailing the actual distribution of overheads between the Constituent Councils and any other matter required by the Constituent Councils or determined by the Board to be included therein) and an Asset Management Plan.*
- 43.3 *The Long Term Financial and Asset Management Plans form part of the Business Plan.*
- 43.4 *In preparing and when reviewing a Business Plan, the Board must at a minimum have regard to the following:*
 - 43.4.1 *any State Government Agency Waste plan then in force in relation to the area of a Constituent Council and any proposed changes to such plan;*
 - 43.4.2 *any initiatives proposed by the Commonwealth of Australia or the State Government as may impact upon or affect proper waste management in the area of an individual Constituent Council or Constituent Councils collectively;*

43.4.3 any plan or policy of a Constituent Council for waste management then in force, and any proposed changes to such plan or policy;

43.4.4 the strategic management plans of each Constituent Council then in force; and

43.4.5 the annual business plan and budget of each Constituent Council then in force.

In mid 2023, through a separate piece of work reviewing the strategic risks of the Organisation, it was identified there were potential short-comings with some of the Strategic Plan Strategies and Key Performance Indicators (KPIs). Through this and combined with the City of Unley joining since the adoption of the Strategic Plan, it was proposed to undertake an early mid-term review to test the documents ongoing applicability.

To commence the process, a joint workshop with the Board and Audit & Risk Management Committee was undertaken in late 2023 and from this it emerged that a 'rewrite' of the Strategic Plan' rather than a review and tweak would best serve the Organisation.

Discussion

Since the workshop, due to a number of factors, work has stalled on the Strategic Plan review. The commencement of the FY25 financial year, complete with a supporting budget allocation, provides an opportunity to reinvigorate the project and over the coming 12 months undertake the review and generation of a new document.

The strategic opportunities available to East Waste have not been lost in the delay and in several respects have assisted with clarity on future directions. There is a wide breadth of opportunity available to East Waste over the coming decade in the political, social, environmental, technology growth and partnership (public and private) space. To what extent and when East Waste engages in these opportunities and likely repeat offerings, to ultimately drive the best long term financial, social and environmental outcomes for the Member Councils must firstly be well understood by all.

Understanding the broader risk, diversification and appetite of Member Councils for the various opportunities and directions is a critical first step. Beyond this, considering how East Waste best positions itself to be ready for the opportunity when they present themselves, or to be proactive and drive the change, is key. Upon reflection, while engagement with the Member Councils was undertaken with the development of the current Strategic Plan, insufficient exploration in understanding the desired direction and risk appetite was not carried out.

To this end, it is proposed to engage a suitably qualified consultant (drawing from Member Council advice and experience) to assist in the initial phase of consultation and 'fact finding' with the Member Councils. It is anticipated that this may involve more than one iteration to fully capture stakeholder views and for East Waste to present an overview of opportunities and risk.

Incorporated into this initial phase would be a Board workshop to ensure the Board's views are also captured, before presenting the ideas and opportunities back to the Board for consideration (and likely) rationalisation. It is expected that this process will take 3-4 months to complete, and it is important that it is done thoroughly.

From this point, the development of a revised Strategic Plan document can commence, complete with Key Performance Indicators, that are better reflective of the activities that East Waste undertakes and has control of. This work will be undertaken in conjunction with a review of the State Waste Strategy and review of the Environment Protection Policy which will be timely.

Completion and endorsement of the revised Strategic Plan is expected to take up to 12 months, to ensure it is well researched, considered and consulted on.

East Waste has a strong, solid platform to work from and there are a raft of diverse and broad reaching opportunities and innovations that will present themselves over the life of the next Strategic Plan. Ensuring East Waste is progressing as a collaborative organisation and in a clear and well understood manner by all Member Councils and various iterations of the Board, is essential to the next phase of East Waste's success.

9.6 Review of the Sexual Harassment Policy

Report Author Manager Business Services, David Maywald

Attachments A: Draft Sexual Harassment Policy

Purpose and Context

To provide the East Waste Board (Board) with the opportunity to review the updated Sexual Harassment Policy (Policy) and seek their endorsement for its adoption.

Recommendation

The East Waste Board receives and adopts the revised Sexual Harassment Policy as presented as Attachment A to this report.

Strategic Link

- Objective 5. Provide Leadership
- Strategy 5.1 Implement best practice safety standards
- Strategy 5.3 Invest in our People

Background

The Policy was first developed in 2021 following a recommendation from the Audit & Risk Management Committee (Committee) to have a standalone Sexual Harassment Policy. The Policy was based on a template developed by the Australian Institute of Community Directors Australia and adapted to meet the requirements of East Waste.

In accordance with the Policy review schedule the Policy is due for review in September 2024. 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.

The revised Policy was presented to the Committee at the meeting held on the 19 June 2024 and the Committee recommended that the revised Policy be presented to the Board:

9.3 Review of Sexual Harassment Policy

Moved Mr P Di Iulio that the Audit & Risk Management Committee notes and recommends the revised Sexual Harassment Policy, as presented in Attachment A, for presentation to the East Waste Board.

Seconded Ms L Green

Carried

Discussion

East Waste administration reviewed and updated to the Policy to ensure that it reflects the changes to the regulations under the Workplace and Safety Act 2012. The updates to the Policy changes include updates to legislative references and related documents.

For the Board's reference, the Policy changes have been tracked and highlighted in red font (refer Attachment A). The Board will also notice that there have been formatting and punctuation updates to the Policy, which do not alter the Policy's intent but are intended to improve readability.

SEXUAL HARASSMENT POLICY	
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Type	Behaviour
Category	Human Resources
First Issued/Adopted	September 2021
<u>Policy Number</u>	<u>012</u>
Minutes Reference	
Review Period	36 months
Last Reviewed	N/A <u>June 2024</u>
Next Review	September 2024 <u>June 2027</u>
Applicable Legislation	<ul style="list-style-type: none"> • <i>Local Government Act 1999</i> • <u>Fair Work Act 1994 / 2009 (SA)</u> • <u>Fair work Act 2009 (Cth)</u> • <i>Freedom of Information Act 1991</i> • <u>Work Health and Safety Act 2012</u> • <u>South Australian Work Health and Safety Regulations 2012</u> • <u>South Australian Equal Opportunity Act 1984</u> • <i>State Records Act 1997</i>
Related Documents	<ul style="list-style-type: none"> • <i>East Waste Charter</i> • <i>East Waste Strategic Plan 2030</i> • <i>Employment Contracts / EBA</i> • <u>Behavioural Standards Policy</u> • <u>Bullying and Harassment Policy</u> • <u>WHS Administration Policy</u> • <u>Code of Practice on Managing Psychosocial Hazards at Work</u>

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SEXUAL HARASSMENT POLICY (continued)

Introduction

Eastern Waste Management Authority (East Waste) will defend the right of every employee to perform their work without being subjected to sexual harassment. Every employee is responsible for providing an environment that is supportive of this aim and must treat everyone ~~else~~ with respect.

It is the obligation and responsibility of every employee to ensure that the workplace is free from sexual harassment. Everyone working at East Waste is responsible for the care and protection of our people and for reporting information about suspected sexual harassment.

East Waste is fully committed to its obligation to prevent and eliminate sexual harassment in the workplace.

Purpose

The purpose of this document is to outline East Waste's position on sexual harassment and to document the process ~~which is~~ to be followed should any grievances arise.

Definitions

Sexual harassment means any unwelcome sexual advance, unwelcome request for sexual favours, or other unwelcome conduct of a sexual nature which makes a person feel offended, humiliated, or intimidated, and where that reaction is reasonable in the circumstances.

Examples of sexual harassment include, but are not limited to:

- Staring or leering.
- Unnecessary familiarity, such as deliberately brushing up against ~~you~~ someone or unwelcome touching.
- Suggestive comments or jokes.
- Insults or taunts of a sexual nature.
- Intrusive questions or statements about ~~one's~~ someone's private life.
- Displaying posters, magazines or screen savers of an offensive nature.
- Sending sexually explicit or offensive electronic or hard copy messages.
- Inappropriate advances on social networking sites.
- Accessing sexually explicit internet sites.
- Requests for sex or repeated unwanted requests to go out on dates; and
- Behaviour that may also be considered an offence under criminal law, such as physical assault, indecent exposure, sexual assault, stalking or obscene communications.

Behaviour that is based on mutual attraction, friendship and respect is not considered to be sexual harassment.

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SEXUAL HARASSMENT POLICY (continued)

Policy

East Waste will not tolerate sexual harassment under any circumstances. Responsibility lies with every ~~Line~~ ~~Manager~~ and employee to ensure that sexual harassment does not occur. No employee at any level should subject any other employee, customer or visitor to any form of sexual harassment. This policy applies to conduct that takes place in any work-related context, including conferences, work functions, social events and business trips.

Both federal and state Equal Employment Opportunity ~~and Workplace Place Health and Safety~~ legislation provide that sexual harassment is unlawful and establish minimum standards of behaviour for all employees.

A breach of this policy may result in disciplinary action, up to and including termination of employment.

East Waste strongly encourages any employee who feels they have been sexually harassed to take immediate action. If an employee feels comfortable in doing so, they should raise the issue with the person directly with a view to resolving the issue by discussion. The employee should identify the harassing behaviour, explain that the behaviour is unwelcome and offensive and ask that the behaviour stops.

However, given the seriousness of sexual harassment, we recommend that this discussion happens in consultation with the relevant ~~Line~~ ~~Manager~~ ~~manager~~(s).

Alternatively, or in addition ~~to~~, they may report the behaviour in accordance with the relevant procedure. Once a report is made ~~the organisation~~ ~~East Waste~~ will determine how the report should be dealt with in accordance with its obligations and this policy.

Any reports of sexual harassment will be treated seriously and promptly with sensitivity. Such reports will be treated as completely confidential however, the person who is the subject of the complaint must be notified under the rules of natural justice. ~~The organisation~~ ~~East Waste~~ will protect, so ~~afar~~ as possible, all those involved in the process from any victimisation.

Complainants have the right to determine how to have a complaint treated, to have support or representation throughout the process, and the option to discontinue a complaint at any stage of the process.

The alleged harasser also has the right to have support or representation during any investigation, as well as the right to respond fully to any formal allegations made. There will be no presumptions of guilt and no determination made until a full investigation has been completed.

No employee will be treated unfairly as a result of rejecting unwanted advances. Disciplinary action may be taken against anyone who victimises or retaliates against a person who has complained of sexual harassment, or against any employee who has been alleged to be a harasser.

All employees have the right to seek the assistance of the relevant tribunal or legislative body to assist them in the resolution of any concerns.

Managers, ~~s~~Supervisors, ~~coordinators and/~~-or ~~t~~Team ~~l~~eaders who fail to take appropriate corrective action when aware of harassment of a person may be subject to disciplinary action.

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Responsibilities

It is the responsibility of East Waste mManagement to ensure that:

- they understand and are committed to the rights and entitlements of all employees to attend work and perform their duties, without fear of being sexually harassed in any form;
- they understand what constitutes an act of sexual harassment;
- all reasonable steps are made to eliminate sexual harassment;
- all employees are regularly made aware of their obligations in relation to providing a workplace free from sexual harassment;
- they provide an environment which discourages harassment and victimisation and set an example by their own behaviour;
- they treat all complaints seriously and confidentially; ~~and~~
- they take immediate and appropriate corrective action if they become aware of any offensive action or illegal behaviour;
- policies and procedures are complied with;
- regular guidance and education is provided to employees regarding sexual harassment and inappropriate behaviour in the workplace;
- managers are aware of their obligations and responsibilities in relation to sexual harassment, and the rights and entitlements of their employees; ~~and~~
- ongoing support and guidance is provided to all employees in relation to the prevention of sexual harassment.

Procedures

Complaint Process

Sexual harassment can occur at any level of the organisation, can be experienced by anyone and may involve a co-worker, supervisor, manager, coordinator, team leader, service provider, client or customer. Lack of intent is no defence in sexual harassment cases.

Employees who believe they are the subject of sexual harassment should take firm, positive and prompt action.

Where possible, the employee should make the perceived harasser(s) aware that they find their behaviour offensive, unwelcome, unacceptable, and that it needs to stop immediately.

If the behaviour continues, or if the employee feels unable to speak to the person(s) directly, they should contact their Line mManager. Alternatively, an employee may contact ~~another~~ an alternate Manager that they feel comfortable with.

The mManager will provide support and ascertain the nature of the complaint and the wishes of the complainant.

Informal Intervention

The mManager will explain the employee's rights and responsibilities under organisation's East Waste's policy, procedures and Equal Employment Opportunity or anti-discrimination legislation.

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SEXUAL HARASSMENT POLICY (continued)

Informal intervention may be undertaken through a process of mediation or conciliation. During informal intervention the alleged harasser will be made aware of the allegations being made against them and given the right to respond.

This procedure will be complete when the complainant and the respondent come to an agreement on the procedure to be followed.

Formal Complaints Procedure

The **m**anager may be obliged to carry out a formal investigation in relation to a complaint of sexual harassment. Formal investigations may be conducted internally (by a manager) or by an external investigator.

An investigation involves collecting information about the complaint and then making a finding (on the balance of probabilities) based on the available information as to whether the alleged behaviour occurred. Once a finding is made, the investigator will make recommendations about resolving the complaint or implementing disciplinary action (including and up to termination of employment).

The investigator may need to interview the parties involved (which may include the complainant, the respondent, and any witnesses) to obtain information regarding the complaint. The investigator will comprehensively and accurately document all information obtained during the interviews including the parties involved, timing, location, and nature of conduct complained against.

If the investigator considers it appropriate for the safe and efficient conduct of an investigation, workplace participants may be stood down from work or provided with alternative duties during an investigation in which case they will be paid their normal pay during any such period.

Throughout the investigation process, all parties involved in the investigation will be regularly kept informed about the investigation.

Records are to be kept and filed in a confidential and secure place. These records should be kept for a period consistent with the requirements of the *States Records Act 1997*. Under no circumstances will records be placed on the complainant's personnel file.

On the basis of the findings, possible outcomes of the investigation may include, but will not be limited to, any combination of the following:

- **c**ounselling;
- **d**isciplinary action against the harasser;
- **o**fficial warnings that are noted in the respondent's personnel file;
- **d**isciplinary action against the person who complained if there is strong evidence that the complaint was vexatious or malicious;
- **f**ormal apologies and undertaking that the behaviour will cease;
- **m**ediation conducted by an impartial third party where the parties to the complaint agree to a mutually acceptable resolution; and
- **r**e-crediting any leave taken as a result of the harassment.

On completion of the investigation, all parties will be informed about the investigation findings and the outcome of the investigation – as appropriate and in line with confidentiality obligations.

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SEXUAL HARASSMENT POLICY (continued)

Following an investigation concerning a sexual harassment complaint (irrespective of the findings), the manager will:

- consult with the parties involved to monitor the situation and their wellbeing; and
- educate and remind all employees of their obligations and responsibilities in relation to providing a workplace free from harassment.

If there has been any substantiated victimisation, disciplinary procedures will be followed.

Procedures for Dealing with Criminal Conduct

Some forms of sexual harassment (e.g. sexual assault, stalking, indecent exposure, physical molestation, obscene phone calls) may constitute criminal conduct.

Such complaints should be dealt with by the relevant authorities such as the South Australian Police as part of the criminal justice system.

Related Document(s)

- ~~Behavioural Standards Policy~~

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9.7 Summary of General Manager Performance Indicators

Report Author General Manager

Attachments Nil.

Purpose and Context

To provide Board with an overview of the General Manager's Key Performance Indicators as set by the Board for the period March 2024 – June 2024 and as reported to the General Manager's Performance Review Committee at the 17 June 2024 meeting.

Recommendation

That the East Waste Board:

- 1. Notes and receives the completion of the General Manager's Key Performance Indicators for the period March 2024 – June 2024, as part of the General Manager's 2024 Performance Review.***
- 2. Authorises the engagement of a suitably qualified consultant to assist in the review process of the General Manager and undertake a 360-Degree Performance Review.***

Strategic Link

Objective: 5. Provide Leadership

Strategy: 5.4 Quality & Transparent Corporate (Governance & Finance) activities.

Background

At the meeting held 29 February 2024, the East Waste Board resolved in confidence to endorse a recommendation from the General Manager Performance Review Committee (GMPRC) for a series of Key Performance Indicators for the General Manager, to be completed by 30 June 2024.

10.3 CONFIDENTIAL GENERAL MANAGER KEY PERFORMANCE INDICATORS 2023/24

Moved Cr S Dilena that the East Waste Board adopts the five (5) Key Performance Indicators, being:

- 1. Delivery of One Innovation Report by 30 June;*
- 2. Development of a Diversity Metric;*
- 3. Draft Future Food Organics, Green Organics (FOGO) Framework;*
- 4. Securing an Agreed Enterprise Agreement; and*
- 5. Securing a Renewed Depot Lease.*

to assist with the Performance Review of the General Manager in 2024.

Seconded Cr L Huxter

Carried

Discussion

Table 1 on the following page provides a high-level snapshot of the Key Performance Indicators (KPIs) (refer Table 1). As a high-level summary, the body of work undertaken or the complete benefit to the Organisation is not fully detailed.

The General Manager will discuss in further detail the specific Indicators at the meeting.

The GMPRC considered the General Manager's Key Performance Indicators Report at the meeting held 17 June 2024 and resolved:

9.3 Summary of General Manager Key Performance Indicators

Moved Cr Clutterham that the General Manager Performance Review Committee notes and receives the completion of the General Manager's Key Performance Indicators for the period March 2024 – June 2024, as part of the General Manager's 2024 Performance Review.

Seconded Mayor H Holmes-Ross

Carried

The GMPRC subsequently resolved, when considering the next steps associated with the General Manager's performance:

9.4 General Manager Performance Review Next Steps

Moved Cr Clutterham that the General Manager Performance Review Committee notes the requirements of the General Managers Annual Performance Review and determines to undertake the Review through the use of a Consultancy Firm and include a 360-Degree Performance Review.

Seconded Mayor H Holmes-Ross

Carried

Subject the Board's endorsement, a suitably qualified consultant will be engaged to commence the 360-Degree Review and assist the Board, through the GMPRC, in the requirements of the General Manager's Annual Performance Review. An allocation for this work has been incorporated into the FY25 budget.

Table 1: General Manager Key Performance Indicators March 2024 – June 2024

Key Performance Indicator	Status	Notes
1. Delivery of One Innovation Report by 30 June	Complete. Innovations report delivered to the GMPRC.	Innovations report to be distributed to Board and Member Council CEOs as part of the Strategic Plan review process.
2. Development of a Diversity Metric	Complete. Diversity Policy proposed rather than specific metric.	<p>The General Manager has proposed the adoption of a <i>Diversity & Inclusion Policy</i> to generate a long lasting more holistic approach to diversity, rather than a single (or multiple) target/metric. Concern that in setting a target(s) it could potentially be more discriminatory and/or too narrow in focus for the Organisation.</p> <p>Broad support from the GMPRC to this approach, however upon review of the policy it was deemed to require some refinement and the Committee were keen to see the development of a metric to ensure there is progression and the Policy remains live.</p>
3. Draft Future Food Organics, Green Organics (FOGO) Framework	Complete. Through rolling out weekly FOGO trials in Adelaide Hills Council, City of Prospect, Campbelltown City Council and in the planning phase at the City of Burnside, East Waste has developed and repeatedly delivered a proven, high performing model, that delivers value back to Member Councils.	<p>The East Waste weekly FOGO Framework has proved to be a high performing system. Two other FOGO rollouts/trials exist across Adelaide and have ongoing opt out rates above 30%. The East Waste Framework developed has proven across three Councils to date, to keep opt out rates less than 5% at worst and around 3% for two of the Councils. This generates significant logistical efficiency and affords the ability to Councils to rollout further with confidence in the economics of the model, even with the current legislative uncertainty. Furthermore, community sentiment and acceptance of the East Waste-led project is high, aiding in the successful rollouts.</p> <p>Recognised by Green Industries SA as the 'gold standard' of weekly FOGO trials.</p> <p>General Manager continues to be active in advocating for revised legislation to assist Member Councils rolling out long lasting and financially confident weekly FOGO kerbside collection programs.</p>

Key Performance Indicator	Status	Notes
4. Securing an Agreed Enterprise Agreement	Complete. Achieved with a 96% approval rating. Accepted by the Australian Workers Union and the Transport Workers Union and lodged with the South Australian Employment Tribunal Commissioner for approval.	<p>Challenging negotiation given the starting position and economic climate. Two unions required to be negotiated with. Negotiations and agreement achieved with no negative cultural damage, which is unique for these processes.</p> <p>Revised agreement has been a positive for attraction and recruitment with Operator numbers returning to full capacity and experienced Drivers eager to join the Organisation in a time when many competitors are consistently short of Operators.</p>
5. Securing a Renewed Depot Lease	On track. Draft Lease document drawn with all requested inclusions. Negotiations and review between legal representatives underway. Shared commitment to execute an agreement. Draft Agreement/status update to be tabled at the meeting under separate cover.	Negotiation has yielded a number of positives and improvements in the lease document for East Waste which has drawn out the process. These include overall financial benefits, increased security and flexibility within the lease arrangement.

9.8 Information Report for June 2024

Report Author General Manager

Attachments

- A: Unconfirmed Minutes of the General Manager Performance Review Committee Meeting held on 17 June 2024
- B: Unconfirmed Minutes of the Audit and Risk Management Committee Meeting held on 19 June 2024
- C: Reform Options for ACCU Scheme – Landfill Gas Methods
- D: Outstanding Resolutions Register
- E: Annual Plan Progress Report
- F: Annual Reporting Calendar

Purpose and Context

The Information Report for June 2024 presents updates on standing items, minutes of Committees of the East Waste Board. The matters have been listed in one report as an efficiency as Administration recommend that the East Waste Board receives and notes the information contained within the report. This does not limit the ability of the Board to remove a specific item from this report and resolve that a particular action be taken.

Recommendation

That the East Waste Board receives and notes the Information Report for June 2024.

Strategic Link

Objective 5. Provide Leadership

5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

The Information Report is a Standing Item that presents information that the Administration recommend that the East Waste Board receive and note.

Discussion

The following items are presented for the information of the East Waste Board:

1. Unconfirmed Minutes of the General Manager Performance Review Committee Meeting held on 17 June 2024 (Refer Attachment A)

Clause 29.3 of the Eastern Waste management Authority Charter states:

‘The Board shall appoint a Chief Executive Officer on a fixed term performance based employment contract, which does not exceed five years in duration’.

The East Waste Board has established a General Manager performance review Committee. A key objective of the Committee is to guide and develop the General Manager's performance and development in the role of managing the operations of East Waste, thereby assisting the Board to meet its legislative and probity requirements as required by the *Local Government Act 1999* and other relevant Legislation, Standards and Codes.

The (unconfirmed) Minutes of the General Manager's Performance Review Committee (GMPRC) Meeting held on 17 June 2024 are included at Attachment B to this report for the Board's information and consideration.

Summary of Discussion at the Meeting

In addition to the papers presented, the GMPRC Committee discussed the following items:

- The need for East Waste to build upon the trust and relationship with Member Councils and have greater visibility and challenge perceptions about what East Waste is capable of doing..
- The need to have a diversity metric to be able to measure the effectiveness of the proposed Diversity & Inclusion Policy.

2. Unconfirmed Minutes of the Audit and Risk Management Committee Meeting held on 19 June 2024 (Refer Attachment B)

Clause 31 of the Eastern Waste Management Authority Charter requires the Authority to establish an Audit Committee which is to be governed by the provisions of Schedule 2, Clause 30 of the *Local Government Act 1999* (Act).

The functions of the Audit Committee are to include:

- (a) reviewing annual financial statements to ensure that they provide a timely and fair view of the state of affairs of the subsidiary; and*
- (b) liaising with external auditors; and*
- (c) reviewing the adequacy of the accounting, internal auditing, reporting and other financial management systems and practices of the subsidiary on a regular basis.*

The (unconfirmed) Minutes of the East Waste Audit & Risk Management Committee Meeting of 19 June 2024 are included at Attachment B to this report for the Board's information and consideration.

Summary of Discussion at the Meeting

In addition to the papers presented, the Audit and Risk Management Committee (Committee) discussed the following items:

- A draft Fleet Asset Management Plan which they have requested included financial details and be presented to the next meeting of the Committee.

3. Reform Options for ACCU Scheme – Landfill Gas Methods (Refer Attachment C)

East Waste provided a submission in late May (refer Attachment A) to the Department of Climate Change, Energy, and the Environment and Water (Australian Government) in

relation to proposed Australian Carbon Credit Unit (ACCU) reform. Administration did this on the basis there is an industry concern that the aggressive targets set, will reduce the availability of ACCUs to landfill operators and gate rates may rise to offset this. As such our submission voiced concern, on behalf of constituent Councils, about the potential impacts that pursuing the aggressive targets might have, not the technical, or calculation process.

4. Outstanding Resolutions Register (Refer Attachment D)

The presentation of the Outstanding Resolutions Register to the Board is considered a good governance practice. The Outstanding Resolutions Register (depicts the status of past resolutions of the Board for the period to 10 June 2024 At this time, as indicated on the attached Register, one resolution, in relation to the Draft Code of Practice – Procures is outstanding.

5. Annual Plan Progress Report

This report provides the East Waste Board with an update on the implementation of the activities endorsed in the East Waste 2023/24 Annual Plan.

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

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

6. Annual Reporting Calendar

This report provides the East Waste Board with an update of the progress of East Waste's key reporting requirements via the Annual Reporting Calendar.

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

The attached Annual Reporting Calendar (refer Attachment F) provides a snapshot update of the progress of East Waste's key legislative and governance reporting requirements for the calendar year.

As noted in the previous May report, Administration is undertaking a significant review of East Waste's Asset Management Plan in conjunction with the upcoming review of the Long Term Financial Plan and noted that it would be presented to the June meetings in 2024. The draft Asset Management Plan was presented to the Audit & Risk Management Committee at the meeting held 19 June 2024, however the Committee was of the opinion that the document needed significant rework, and therefore following further review will be brought back to a future meeting, prior to the end of the calendar year. The review of the Long Term Financial Plan will follow.

This is a standing item on the Agenda.



**Eastern Waste Management Authority
General Manager Performance Review
Committee Meeting**

Minutes

Monday 17 June 2024

Minutes

Eastern Waste Management Authority Ordinary Meeting of the General Manager Performance Review Committee

Meeting to be held on Monday 17 June 2024 commencing at 10:00am,
Via Zoom: <https://us02web.zoom.us/j/84889218072>

The Chair, Mr F Bell, declared the meeting open at 10.02am and that a quorum was present.

1. Acknowledgement of country

2. Present

Directors:

Mr F Bell	Independent Chairperson
Mayor H Holmes-Ross	City of Mitcham
Cr C Clutterham	City of Norwood, Payneham & St Peters

In Attendance:

Mr R Gregory	General Manager
Ms V Davidson	Executive Administration Officer

3. Apologies

4. Declarations of interest

5. Confirmation of the minutes

1. Moved Cr Clutterham that the Minutes of the General Manager Performance Review Committee Meeting held on 28 September 2023 be confirmed as a true and correct record .

Seconded Mayor H Holmes-Ross **Carried**

2. Moved Cr Clutterham that Circular Resolution of the General Manager Performance Review Committee as passed on 20 February 2024, be confirmed as a true and correct record.

Seconded Mayor H Holmes-Ross **Carried**

6. Matters arising from the minutes

Nil.

7. Questions without notice

Nil.

8. Presentations

Nil.

9. Reports

9.1 Innovations Discussion Paper

Moved Mayor H Holmes-Ross that the General Manager Performance Review Committee notes and receives the General Manager's Innovations Discussion Paper as required in the General Manager's Key Performance Indicators for the period March 2024 – June 2024.

Seconded Cr Clutterham

Carried

9.2 Diversity & Inclusion Policy

Moved Cr Clutterham that the General Manager Performance Review Committee:

1. Notes and refers the proposed Diversity & Inclusion Policy, as presented in Attachment A, to the East Waste Audit & Risk Management Committee for consideration.
2. Acknowledges the Diversity & Inclusion Policy, as presented in Attachment A, as a preferred approach to the development of a Diversity Metric as required in the General Manager's Key Performance Indicators for the period March 2024 – June 2024.

Seconded Mayor H Holmes-Ross

Carried

9.3 Summary of General Manager Key Performance Indicators

Moved Cr Clutterham that the General Manager Performance Review Committee notes and receives the completion of the General Manager's Key Performance Indicators for the period March 2024 – June 2024, as part of the General Manager's 2024 Performance Review.

Seconded Mayor H Holmes-Ross

Carried

9.4 National General Manager Performance Review Next Steps

Moved Cr Clutterham that the General Manager Performance Review Committee notes the requirements of the General Managers Annual Performance Review and determines to undertake the Review through the use of a Consultancy Firm and include a 360-Degree Performance Review.

Seconded Mayor H Holmes-Ross

Carried

10. Next meeting of the General Manager Performance Review Committee

The next Ordinary Meeting of the General Manager Performance Review Committee will be held on a date at a location and time to be confirmed.

11. Closure of meeting

There being no further business the meeting closed at 11.02am



**Eastern Waste Management Authority
Ordinary Audit & Risk Management Committee**

Minutes

Wednesday 19 June 2024

Minutes

Eastern Waste Management Authority Ordinary Meeting of the Audit and Risk Management Committee

Meeting to be held on Wednesday 19 June 2024 commencing at 8:00am,
at the Boardroom, Thomson Geer, 7/19 Gouger Street, Adelaide.

The Chair, Mrs E Hinchey, declared the Meeting open at 8.01am and that a quorum was present.

1. Acknowledgement of country

2. Present

Directors:

Mrs E Hinchey	Independent Chairperson
Mr F Bell	Independent Member
Mr P Di Iulio	East Waste Board Representative
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 G Parker	Consultant
Mr T Muhlausler	Galpins
Mr J Jovicevic	Dean Newbery & Partners

3. Apologies

Ms Sandra Di Blasio	Independent Member
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4. Disclosures of interest

Item	Type of Conflict	Person
Item 9.4	General	Ms L Green

5. Confirmation of the minutes

- Moved Mr F Bell that the Minutes of the East Waste Audit and Risk Management Committee meeting held on 23 April 2024 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.

The Chair sought leave of the meeting to bring forward Item 9.2, Interim Audit Report and leave was granted.

9 Reports

9.2 Interim Audit Report

The Interim Audit Report was presented by Mr T Muhlhausler from Galpins.

Moved Mr F Bell that the Audit & Risk Management Committee receives and endorses the Interim Audit Management Letter and acknowledges all matters of note will be addressed prior to 30 September 2024.

Seconded Ms L Green

Carried

The Audit & Risk Management Committee requested that the following comment, made by Mr Muhlhausler, be minuted:

'The Authority has industry-leading reconciliation processes in place to ensure Member Councils are charged appropriately. Further the controls and processes around the calculation of Common Fleet Costs are detailed and thorough. Councils should have a very high level of comfort knowing that charging is appropriate and financial risks are being managed correctly.'

Mr T Muhlhausler left the meeting at 8.32am.

8 Presentations

8.2 Service Level Agreements

Presentation by Mr Greg Parker, Consultant.

Mr G Parker left the meeting at 8.54am

Mr F Bell left the meeting at 8.54am

9 Reports

9.1 2024/25 Draft Annual Business Plan & Budget Recommendation

Moved Mr P Di Iulio that the Audit & Risk Management Committee notes the approval of all Member Councils, the feedback provided and recommends the draft 2024/25 Annual Plan and Budget, as presented in Attachment A, is presented to the Board for endorsement.

Mr F Bell re-entered the meeting at 8.54am

Seconded Ms L Green

Carried

9.3 Draft Internal Audit Charter

Moved Ms L Green that the Audit & Risk Management Committee recommend that the Draft East Waste Interim Audit Charter, as presented in Attachment A, is presented to the East Waste Board for adoption.

Seconded Mr F Bell

Carried

9.4 Draft Fleet Asset Management Plan

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, participate in the debate and vote on the matter.

Moved Mr F Bell that consideration of the Draft Fleet Asset Management Plan be adjourned to the next meeting of the Audit & Risk Management Committee in order for Administration to include financial reporting within the Draft Fleet Asset Management Plan.

Seconded Mr P Di Iulio

Carried

Mr J Jovicevic left the meeting at 9.29am.

9.5 Proposed Diversity & Inclusion Policy

Moved Ms L Green that consideration of the proposed Diversity & Inclusion Policy be adjourned to the next meeting of the Audit & Risk Management Committee in order for Administration to undertake further refinement of the policy and incorporate an appropriate diversity metric to assist in the performance measurement of the Policy .

Seconded Mr P Di Iulio

Carried

Mr F Bell left the meeting at 9.32am.

9.6 Review of Sexual Harassment Policy

Moved Mr P Di Iulio that the Audit & Risk Management Committee notes and recommends the revised Sexual Harassment Policy, as presented in Attachment A, for presentation to the East Waste Board.

Seconded Ms L Green

Carried

9.7 Information Report for June 2024

Moved Ms Green that the Audit & Risk Management Committee receives and notes the Information Report for June 2024.

Seconded Mr P Di Iulio

Carried

10 Confidential Reports

10.1 Supply of Compostable Bags

RECOMMENDATION 1

Moved Ms L Green that pursuant to Section 90(2) and (3)(d) 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:

(b) information the disclosure of which—

(i) could reasonably be expected to confer a commercial advantage on a person with whom East Waste is conducting, or proposing to conduct, business, or to prejudice the commercial position of East Waste;

(ii) would on balance be contrary to the public interest as the outcome of the decision may impact the tender process.

Seconded Mr P Di Iulio

Carried

RECOMMENDATION 2

Moved Ms L Green that the Committee endorses Administration's proposal and recommends to the East Waste Board that the contract with BioBag World Australia be extended for an additional two years.

Seconded Mr P Di Iulio

Carried

RECOMMENDATION 3

Moved Ms L Green that pursuant to Section 91(7) and (9) of the *Local Government Act 1999* the Audit & Risk Management Committee orders that the report, discussion and minutes be kept confidential until further order of the East Waste Board.

Seconded Mr P Di Iulio

Carried

10.2 Depot Lease Update

RECOMMENDATION 1

Moved Ms L Green that pursuant to Section 90(2) and (3)(d) 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:

(b) information the disclosure of which—

(i) could reasonably be expected to confer a commercial advantage on a person with whom East Waste is conducting, or proposing to conduct, business, or to prejudice the commercial position of East Waste;

(ii) would on balance be contrary to the public interest as the outcome of the decision may impact the tender process.

Seconded Mr P Di Iulio

Carried

RECOMMENDATION 2

Moved Ms L Green that the Committee notes the verbal update provided by the General Manager on the status of the East Waste Depot Lease negotiation.

Seconded Mr P Di Iulio

Carried

RECOMMENDATION 3

Moved Ms L Green that pursuant to Section 91(7) and (9) of the *Local Government Act 1999* the Audit & Risk Management Committee orders that the discussion be kept confidential until further order of the East Waste Board.

Seconded Mr P Di Iulio

Carried

11 Other business

Nil.

12 Next meeting of the Audit & Risk Management Committee

The next Audit and Risk Management Committee Meeting is to be held on:

Tuesday 17 September 2024, commencing 8:00am, in the Boardroom, Thomson Geer,
7/19 Gouger Street, Adelaide

13 Closure of meeting

There being no further business, the Chair declared the meeting closed at 9.49am.

These minutes have been signed as a true and correct record of the East Waste Audit and Risk Management Committee Meeting held on 19 June 2024.

Signed _____
Chairperson

Date ____/____/____



21 May 2024

Attn: Reform Options for ACCU Scheme – Landfill Gas Methods

Department of Climate Change, Energy, and the Environment and Water
Australian Government
GPO Box 3090
CANBERRA ACT 2601

(Submitted via online portal)

Dear Sir/Madam,

Submission: Reform Options for ACCU Scheme Landfill Gas Methods

We write in response to the Department’s proposed options for ACCU Scheme Reform in relation to Recommendation 10 of the ACCU Scheme Review, Landfill Gas Methods.

For context, East Waste is a regional subsidiary of eight Adelaide 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. Through these activities, approximately 55,000 tonnes of kerbside municipal waste is collected and directed to landfill. East Waste has long been involved in the waste industry with our origins commencing 95 years ago in 1928.

The Landfill Gas Industry supplies around 25-30% of the total ACCUs issued annually. These ACCUs represent real, measured, and verified methane abatement. To achieve net zero by 2050, Australia and our businesses need the supply of landfill gas ACCUs and the real emissions reductions from these activities. East Waste is concerned that the approach pursued in the Reform Options paper could jeopardise the landfill gas industry which is desperately needed for a strong Australian economy as we decarbonise. It also risks Australia’s global leadership in successfully abating methane from waste.

It is our view that the Reform Options paper is too aggressive with some of the targets proposed and if implemented as it stands it would result in:

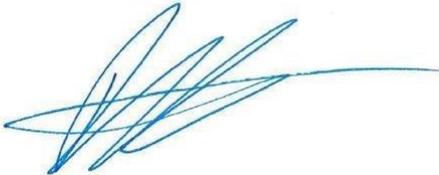
- Higher emissions due to lower (or no) investment in landfill methane destruction;
- Higher cost of living pressure through higher rates and/or landfill gate fees; and
- Less ACCUs available for the hard to abate sectors.

From our standpoint, we would recommend that the landfill gas method baseline be 36% or below, the upward sloping baseline be at or below 0.92% or below, and a multi-decade crediting period be available for current and future landfill gas projects.

Without a softening of the targets, our fear is landfill gate rates will increase in order to accommodate, which are likely to be passed through to the householder, placing upward pressure on cost of living. To be clear East Waste is not against reform per se, rather an approach that will not jeopardise investment and or risk price increases in this critical sector needs to be given more thorough consideration.

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 rob@eastwaste.com.

Yours sincerely,



ROB GREGORY
GENERAL MANAGER

ITEM 9.8 - ATTACHMENT D

East Waste Board Outstanding Resolutions Register - as at 10 June 2024				
Meeting Date	Item	Topic	Resolution	Status
02/05/2024	9.2	Draft Code of Practice - Procedures at Meetings	Moved Mr C Malak that the Administration and the Chair of the East Waste Board review the content of the draft Code of Practice – Procedures at Meetings, set out as Attachment A to this report, and that a simplified document be presented to the June meeting of the East Waste Board for consideration. Seconded Cr L Huxter	Not Complete. Scheduled for presentation to September 2024 Board meeting.



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	Several small services transferred from individual Member Councils to East Waste (eg. Second bin permits, bin delivery & repairs).
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	Number of opportunities investigated, but none pursued, due to lack of value and/or risk.
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	Final/latest lease document to be tabled at meeting. Intent to finalise deal is strong on both sides. New lease document has yielded a number of positives and improvements in the lease document for East Waste which has drawn out the process. These include overall financial benefits, increased security and flexibility within the lease arrangement.
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	Considerable advancement with draft document development, working closely with the City of Unley. Content and inclusions more detailed than initially anticipated. Importantly covers all requirements identified in 2022 Auditor General's Report. Presentation on document content to be provided at meeting Consultation & rollout across remaining Councils scheduled prior to end of calendar year.

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 hearing/visual impaired people.
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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.	Led or assisted with three trial rollouts (City of Prospect, Adelaide Hills Council & Campbelltown City Council). The East Waste Framework developed has proven across three Councils to date, to keep opt out rates less than 5% at worst and around 3% for two of the Councils. Recognised by Green Industries SA as the 'gold standard' of weekly FOGO trials. Working closely with City of Burnside for rollout of trial across 1,300 properties on 2 September. General Manager continues to be active in advocating for revised legislation to assist Member Councils rolling out long lasting and financially confident weekly FOGO kerbside collection programs.
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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. CAWRA & industry trials being monitored closely for Member Council applicability
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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 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 are currently in the process of delivering the educational programs.
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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 unlikley to be completed.
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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	Project to continue on under a BAU approach. Engagment with Recycling Processors challenging.
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PROVIDE LEADERSHIP

9	Fleet Replacement	In line with the Long Term Financial Plan, undertake the replacement of five (5) collection vehicles.	5.4	Provide Leadership	All trucks delivered. FY25 order finalised. New truck Tender drafted ready for market release in July/August.
10	Enterprise Agreement	Negotiate Enterprise Agreement for Operational Staff.	5.3	Provide Leadership	Complete. Achieved with a 96% approval rating. Accepted by the Australian Workers Union and the Transport Workers Union and lodged with the South Australian Employment Tribunal Commissioner for approval.
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 has now been aopted by LGRS and administration are currently working on the action plan and are approximatly 10% complete.
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 framework, Policy and register have been developed and endorsed by the Board in the February 2024 meeting. The strategic risk register includes 10 strategic risks and includes consequences, controls. Future controls in addition to the current and future risk ratings. Works have commenced on reviewing and updating the operational risk register.

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

Project to continue on under a BAU approach.

ITEM 9.8 - ATTACHMENT F

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

✓	Item previously presented/endorsed
✓	Item included in current meeting Agenda
•	Item deferred to a future meeting
■	Item not presented this calendar year

Meeting	Financial	Feb	Apr/May	Jun	Sep	Nov	Notes
B	A&R	Budget Review 2	✓				
B	A&R	Draft Annual Plan & Budget Assumptions	✓				
	A&R	Review of Proposed External Audit Work Plan		✓			
B	A&R	Review of Asset Management Plan		•			Deferred to future meeting following review of Committee. Further work required.
B	A&R	Budget Review 3		✓			
B	A&R	Long Term Financial Plan Review			•		Presentation following endorsement of Asset Management Plan.
B	A&R	Interim Audit Report			✓		Undertaken in May by Galpins and Management letter included in Agenda.
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			•		To be presented at September meeting following receipt of KESAB delivery 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	✓				Presented at February 2024 meeting, next Annual Review to occur in April 2025.