



Eastern Waste Management Authority Ordinary Board Meeting

Agenda

Thursday 26 September 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 26 September 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 Kaurna people and that we respect their spiritual relationship with their country.

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



Agenda

Eastern Waste Management Authority Ordinary Meeting of the Board of Management

Meeting to be held on Thursday 26 September 2024 commencing at 5:30pm,
at the City of Norwood, Payneham & St Peters, 175 The Parade, Norwood.

1. **Present**
2. **Acknowledgement of Country**
3. **Apologies**
4. **Conflicts of Interest**
5. **Confirmation of the Minutes**

5.1 Minutes of the Eastern Waste Management Authority Special Board Meeting

Recommended:

1. That the Minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on Thursday 14 August 2024, be received and confirmed, and as a true and correct record.

5.2 Minutes of the Eastern Waste Management Authority Ordinary Board Meeting

Recommended:

2. That the Minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on Thursday 27 June 2024, be received and confirmed, and as a true and correct record.

6. **Matters arising from the Minutes**
7. **Questions without notice**
8. **Presentations**

9. **Reports**

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10. Confidential Reports

10.1	RFT 2024/25: Municipal Solid Waste Processing/ Disposal Render Report	Page 229
10.2	Draft Fleet Asset Management Plan and Strategy	Page 249

11. Other Business

12. Next Meeting of the Board

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

Thursday 21 November 2024, at the Mayor's Parlour, City of Norwood, Payneham & St Peters,
175 The Parade, Norwood

13. Closure of Meeting



Eastern Waste Management Authority Special Board Meeting

Minutes

Wednesday 14 August 2024

Minutes

Eastern Waste Management Authority Special Meeting of the Board of Management

Meeting to be held on Wednesday 14 August 2024 commencing at 5:00pm,
via Zoom.

Meeting opened at 5.03pm

1. Acknowledgement of country

2. Present

Directors:

Mr F Bell	Independent Chairperson
Cr L Huxter	Adelaide Hills Council
Mr P Di Iulio	Campbelltown City Council
Mr S Dilena	City of Prospect
Mr C Malak	City of Unley
Mayor M Jones	Corporation of the Town of Walkerville (entered at 5.08pm)

Deputy Directors:

Mr M Barone	City of Norwood, Payneham & St Peters
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In Attendance:

Mr R Gregory	General Manager
Mr D Maywald	Manager, Business Services
Ms K Vandermoer	Coordinator Finance & Strategic Projects
Ms V Davidson	Executive Administration Officer

3. Apologies

Cr Ted Jennings	City of Burnside
Cr C Clutterham	City of Norwood, Payneham & St Peters
Mayor H Holmes-Ross	City of Mitcham

4. Conflicts of interest

Nil.

5. Confidential Reports

5.1 East Waste Business Operations Centre Lease

Mayor Melissa Jones entered the meeting at 5.08pm.

RECOMMENDATION 1

Moved Cr Huxter that pursuant to Section 90(2) and (3)(d) of the *Local Government Act, 1999* the East Waste Board orders that the public, with the exception of the East Waste General Manager, Rob Gregory, East Waste Manager Business Services, David Maywald, East Waste Finance and Strategic Projects Coordinator, Kelly Vandermoer and East Waste Executive Assistant Vanessa Davidson, be excluded from the meeting on the basis that the East Waste Board will receive, discuss and consider:

(b) information the disclosure of which—

(i) could reasonably be expected to confer a commercial advantage on a person with whom the Board 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.

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

Seconded Mr Malak

Carried

RECOMMENDATION 3

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

Seconded Mr Di Iulio

Carried

6. Next meeting of the Board

The next Ordinary Board Meeting is scheduled to be held on Thursday 26 September 2024, commencing at 5:30pm, at the City of Norwood Payneham & St Peters, 175 The Parade, Norwood.

7. Closure of meeting

There being no further business, the Chairperson declared the meeting closed at 5.12pm.

These minutes have been signed as a true and correct record of the East Waste Special Board Meeting of 14 August 2024.

Signed _____

Chairperson

Date ____/____/____



Eastern Waste Management Authority Ordinary Board Meeting

Minutes

Thursday 27 June 2024

Minutes

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.

The Chair, Mr F Bell declared the Meeting open at 5.30 pm and that a quorum was present.

1. Acknowledgement of country

2. Present

Directors:

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

Deputy Directors:

Mr D Waters	Adelaide Hills Council
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In Attendance:

Mr R Gregory	General Manager
Mr D Maywald	Manager, Business Services
Ms K Vandermoer	Coordinator Finance & Strategic Projects
Ms V Davidson	Executive Administration Officer
Ms M Bekesi	Leader of Education and Promotions
Mr J Freitas	Audit Director, Galpins
Mt G Parker	Consultant

3. Apologies

Cr L Huxter	Adelaide Hills Council
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4. Conflicts of interest

Cr C Clutterham advised that she has been preselected by the Australian Labor Party to run in the Federal seat of Sturt and will monitor and make appropriate declarations as needed.

5. Confirmation of the minutes

Moved Mr C Malak that the Minutes of the Eastern Waste Management Authority Ordinary Board Meeting held on Thursday 2 May 2024, be confirmed as true and correct record.

Seconded Mayor H Holmes-Ross

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. Leave was granted.

9. Reports

9.2 Interim Audit Report

Mr J Freitas, Audit Director, Galpins provided a brief overview of the recent Internal Audit of East Waste.

Moved Cr T Jennings that the East Waste Board endorses the Interim Audit Management Report and acknowledges all matters of note will be addressed prior to 30 September 2024.

Seconded Cr CClutterham

Carried

Mr J Freitas left the meeting at 5.48pm.

8. Presentations

8.1 Service Level Agreements

Presentation by Mr G Parker, Consultant on the development of Service Level Agreements.

Mr G Parker left the meeting at 6.16pm

8.2 Annual Education Summary

Presentation by Ms M Bekesi, Leader of Education and Promotions on education and promotional activities undertaken by East Waste in 2023/24.

Mr C Malak left the meeting at 6.35pm

9. Reports

9.1 Annual Business Plan & Budget Adoption

Moved Cr C Clutterham 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

Seconded Mayor M Jones

Carried

Ms M Bekesi left the meeting at 6.47pm.

9.3 Draft Internal Audit Charter

Moved Mr P Di Iulio that the East Waste 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.

Seconded Mr D Waters

Carried

9.4 Annual Review of Items Held in Confidence

Moved Cr C Clutterham 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.

Seconded Mayor M Jones

Carried

9.5 East Waste Strategic Plan Review – Next Steps

Moved Mayor M Jones that the 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.

Seconded Cr T Jennings

Carried

Mayor H Holmes-Ross left the meeting at 7.24pm.

9.6 Review of the Sexual Harassment Policy

Moved Cr C Clutterham that the East Waste Board receives and adopts the revised Sexual Harassment Policy as presented as Attachment A to this report.

Seconded Cr T Jennings

Carried

9.7 Summary of General Manager Performance Indicators

Moved Cr T Jennings 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.

Seconded Mr S Dilena

Carried

9.8 Information Report for June 2024

Moved Mayor M Jones that the East Waste Board receives and notes the Information Report for June 2024.

Seconded Cr C Clutterham

Carried

10. Confidential reports

10.1 Tender for Bin Supply and Maintenance

RECOMMENDATION 1

Moved Cr C Clutterham that pursuant to Section 90(2) and (3)(d) of the *Local Government Act, 1999* the East Waste Board orders that the public, with the exception of Mr Rob Gregory, Mr David Maywald, Ms Kelly Vandermoer and Ms Vanessa Davidson, be excluded from the meeting on the basis that the East Waste Board will receive, discuss and consider:

(b) information the disclosure of which—

(i) could reasonably be expected to confer a commercial advantage on a person with whom 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.

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

Seconded Mayor M Jones

Carried

RECOMMENDATION 3

Moved Cr T Jennings that in accordance with Section 91(7) and (9) of the *Local Government Act 1999* the Board orders that the report, attachment, discussion and minutes be kept confidential until the contract is executed.

Seconded Cr C Clutterham

Carried

10.2 Supply of Compostable Bags Contract

RECOMMENDATION 1

Moved Mr S Dilena that pursuant to Section 90(2) and (3)(d) of the *Local Government Act, 1999* the East Waste Board orders that the public, with the exception of Mr Rob Gregory, Mr David Maywald, Ms Kelly Vandermoer and Ms Vanessa Davidson, be excluded from the meeting on the basis that the East Waste Board will receive, discuss and consider:

- (b) information the disclosure of which—
 - (i) could reasonably be expected to confer a commercial advantage on a person with whom 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.

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

Seconded Cr T Jennings

Carried

RECOMMENDATION 3

Moved Cr T Jennings that in accordance with Section 91(7) and (9) of the *Local Government Act 1999* the East Waste Board delegates authority to the General Manager of East Waste to release the report, discussion and minutes on finalisation of the contractual agreements.

Seconded Mayor M Jones

Carried

11. Other business

- 11.1 The Chair attended a recent meeting of Eastern Region Alliance (ERA) CEOs and shared information about the works being undertaken by East Waste. Chris Cowley (City of Burnside), Matthew Pears (City of Mitcham - not being an ERA member) and Greg Georgopolous (Adelaide Hills Council – not being an ERA member) were not present at this meeting and the Chair will update them on the information shared.

Next meeting of the Board

The next Ordinary Board Meeting is scheduled to be held on Thursday 26 September 2024, commencing at 5:30pm, at the City of Norwood Payneham & St Peters, 175 The Parade, Norwood.

12. Closure of meeting

There being no further business the Chair declared meeting closed at 7.39pm.

These minutes have been signed as a true and correct record of the East Waste Ordinary Board meeting of 27 June 2024,

Signed _____
Chairperson

Date ____/____/____

9.1 Audited Financial Statements for the Year Ended 30 June 2024

Report Author General Manager

Attachments A: Draft Financial Statements for the Year Ending 30 June 2024
B: Galpins 2023/24 Audit Completion Report
C: Draft Management Representation Letter

Purpose and Context

To provide the Board with an opportunity to review and comment on the prepared Financial Statements for year ending 30 June 2024.

Recommendation

That the Board:

1. *Receive and notes the draft FY2024 audited Financial Statements as presented in Attachment A and the Management Representation Letter as presented in Attachment C; and*
2. *Receives and notes the Independent Audit Completion Report as presented in Attachment B.*
3. *Authorises the Chairman and General Manager to sign the Financial Statements as presented in Attachment A and provide to Member Councils.*

Strategic Link

Objective 5. Provide Leadership

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

Background

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

9.1 Annual Plan and Budget Endorsement

Moved Mr Dilena that the Board:

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

Seconded Cr Clutterham

Carried

Discussion

The draft Financial Statements (refer Attachment A) for financial year ending 30 June 2024 have been prepared by East Waste's appointed accountancy firm Dean Newbery and Partners, in accordance with the model financial statements issued by the Local Government Association.

The statements have been reviewed by East Waste's external auditors Galpins. Galpins Audit Completion Report is provided (refer Attachment B) and a representative from Galpins will attend the meeting to answer any Board questions. For completeness and transparency, the signed Certification of the Auditor's Independence is provided for the Board in Appendix 2 of the Audit Completion Report (refer Appendix 2 of Attachment C). The Board will note that through the interim audit process, the majority of internal controls were deemed to be operating effectively, with nine controls posing a low to moderate risk, noting no high-risk matters raised. The end of year review was consistent with the interim report, with Galpins noting just three low-risk findings within the final management letter (refer pg.10 of Attachment B) relating to carry-forward grant income, management of Annual Leave balances, and a noted discrepancy in East Waste's GST accounts. Management has responded accordingly within the final management letter (Refer pg.10 of Attachment B) and are confident these risks will be further mitigated in the coming twelve months.

With respect to the outstanding note, identified on Page 4 (refer pg. 4 of Attachment B), this related to the new Ottoway Depot Lease, which at the time of the Audit Completion Report being issued, had not been finalised. A Special Meeting of the Board has since been held, endorsing a new 10-year lease and approving the document to be executed under Common Seal. The Financial Statements as per Attachment A (refer Attachment A) include the updated Note 11 to reflect this, with the updated Audit Completion Report to be presented within the upcoming Board Agenda.

The draft Financial Statements (refer Attachment A) show a year end net loss of \$289K, which is primarily attributed to two key areas, being continued unforeseen fleet maintenance expenditure in Q4, and higher than anticipated employee costs, in particular East Waste's use of Casual Agency Staff.

Unexpected fleet maintenance costs continued throughout the final quarter of the fiscal year. These included, as examples a new floor and body reweld (\$30k), 3 transmissions (\$40k) and 4 radiator re-cores (\$25k). Overall, the FY24 year was a challenging year in relation to fleet management and upon further review of the costs, it has largely been identified as an anomaly with the number of significant breakdowns, coupled with bringing the fleet replacement program back in line. Additional to this, as per Report 9.4 of this agenda, the development of a more detailed Asset Management Plan, inclusive of operating and maintenance will assist with future projections and planning.

Employee costs as detailed throughout the year have been high and due to an overall increase in collection hours higher than expected overtime and heavy use of casual labour to fulfill operationally required positions, resulted in a yearly overspend against budget of \$550k. This increase is principally associated with additional Drivers, increased overtime and additional expenditure in the Workshop due to long-term leave. FY24 saw a 5.6% increase in total collection hours compared to FY23 which translates into almost 6,000 additional person hours and just over 275,000 additional

bin lifts. Several permanent staff took unplanned personal leave which resulted in high levels of overtime for remaining staff and necessitating casual labour hire. This has a flow on effect upon the figures, with casual staff backfilling roles within the collections team paid at a premium rate and typically taking longer to undertake the same work.

The fourth quarter of the year (April – June) historically is the quietest quarter in relation to labour hours, however this did not materialise this year, further compounding the above figures.

Given the stark nature of the overrun, Management have undertaken a review of the FY25 labour budget and are confident that no material changes are required at this point in time. Members may recall a significant increase was budgeted for in the current year and with the use of labour hire, which was the key driver for the increased labour costs in FY24, currently at the lowest level for the past 5 years and well under control (largely as a result of East Waste currently being seen as a destination Organisation within the waste industry due to our culture and conditions), the budget line is well positioned.

With respect to the overall \$289K shortfall, it is proposed to draw down on existing cash reserves, rather than seek additional funding from the Member Councils. The presented financials are reflective of this position (East Waste 'self-funding' the budget deficit) and highlights the benefits of East Waste maintaining a small cash reserve.

The capital expenditure commitments of \$2.179M referred to in Note 10 of the Financials relates to the current financial year (FY25) fleet replacement order, which has already been placed, with vehicles scheduled to arrive in late November/ early December.

The cash balance at the end of the FY24 period shows a net decrease of \$2.32M, which is reflective of the inflated cash held at the end of the FY23 period. This was due to a \$2.082million loan draw down in FY23 that was not spent on truck purchases as anticipated and carried forward into the FY24 year, where it was fully spent as intended in FY24 (this was disclosed in Note 10 of the FY23 Audited Statements). Coupled with a ~\$300k increase in Debtors at the current year end compared to the FY23 closing position, the overall cash position at the end of the year is relatively stable and remains at a level Management is comfortable with.

The draft Management Representation Letter (refer Attachment C) prepared by Galpins external auditors as part of the external audit completion process has been provided to Board Members to note and to be aware of disclosures Management are making to the auditors in connection with the audit. Subject to no further changes or any adverse unforeseen events occurring before the financial statements are due to be signed off, the General Manager will sign the enclosed draft Management Representation Letter as presented in Attachment C and provide it to the auditors to enable them to issue to the Authority the auditor's report (refer pg.14 of attachment B) for the 2023/24 financial year.

The Audit & Risk Management Committee reviewed the draft Financial Statements at the September 2024 meeting and resolved:

9.1 Audited Financial Statements for the Year Ended 30 June 2024

Moved MR Di Iulio that the Audit & Risk Management Committee:

- 1. Receive the draft FY2024 audited Financial Statements as presented in Attachment A and the Management Representation Letter as presented in Attachment C, and recommend both documents for presentation to the East Waste Board; and*
- 2. Note the draft Independent Audit Completion Report as presented in Attachment B.*

Seconded Ms Di Blasio

Carried

Following Board endorsement, the Financial Statements will formally be issued to the Member Councils.

EASTERN WASTE MANAGEMENT AUTHORITY INC

General Purpose Financial Report for the year ended 30 June 2024

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EASTERN WASTE MANAGEMENT AUTHORITY INC

**Annual Financial Statements
for the financial year ended 30 June 2024**

Certification of Financial Statements

We have been authorised by Eastern Waste Management Authority Inc. to certify the financial statements in their final form. In our opinion:

- the accompanying financial statements comply with the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011 and Australian Accounting Standards.*
- the financial statements present a true and fair view of the Authority's financial position at 30 June 2024 and the results of its operations and cash flows for the financial year.
- internal controls implemented by the Authority provide a reasonable assurance that the Authority's financial records are complete, accurate and reliable and were effective throughout the financial year.
- the financial statements accurately reflect the Authority's accounting and other records.

.....
Rob Gregory
Executive Officer

.....
Fraser Bell
Chairperson

Date:

EASTERN WASTE MANAGEMENT AUTHORITY INC

Statement of Comprehensive Income for the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Income			
User charges	2	22,559	21,188
Investment income	2	66	46
Other	2	1,574	1,078
Total Income		24,199	22,312
Expenses			
Employee costs	3	8,492	7,476
Materials, contracts & other expenses	3	13,123	12,189
Finance costs	3	442	354
Depreciation & amortisation	3	2,512	2,108
Total Expenses		24,569	22,127
Operating Surplus		(370)	185
Asset disposal & fair value adjustments	4	81	143
Net Surplus		(289)	328
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income		(289)	328

This Statement is to be read in conjunction with the attached Notes.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Statement of Financial Position as at 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Assets			
Current Assets			
Cash and cash equivalents	5	1,634	3,953
Trade & other receivables	5	1,082	746
Inventory		63	43
Total Current Assets		2,779	4,742
Non-current Assets			
Property, Plant & Equipment	6	11,038	9,510
Total Non-current Assets		11,038	9,510
Total Assets		13,817	14,252
Liabilities			
Current Liabilities			
Trade & Other Payables	7	1,229	1,266
Provisions	7	1,011	871
Borrowings	7	2,029	2,306
Total Current Liabilities		4,269	4,443
Non-current Liabilities			
Borrowings	7	8,546	8,490
Provisions	7	108	136
Total Non-current Liabilities		8,654	8,626
Total Liabilities		12,923	13,069
Net Assets		894	1,183
EQUITY			
Accumulated Surplus		894	1,183
Total Equity		894	1,183

This Statement is to be read in conjunction with the attached Notes.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Statement of Changes in Equity for the year ended 30 June 2024

	Accumulated Surplus \$'000	Total Equity \$'000
Balance at start of period - 1 July 2023	1,183	1,183
Net Surplus for Year	(289)	(289)
Other Comprehensive Income		
Contributed Equity	-	-
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2024	894	894
Balance at start of period - 1 July 2022	850	850
Net Surplus for Year	333	333
Other Comprehensive Income		
Contributed Equity	-	-
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2023	1,183	1,183

This Statement is to be read in conjunction with the attached Notes

EASTERN WASTE MANAGEMENT AUTHORITY INC

Statement of Cash Flows for the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Cash Flows from Operating Activities			
Operating receipts		23,801	22,455
Investment receipts		62	46
Employee costs		(8,380)	(7,361)
Materials, contracts & other expenses		(13,141)	(12,397)
Finance payments		(481)	(304)
Net cash provided by operating activities	8	1,861	2,439
Cash Flows from Investing Activities			
Sale of replaced assets	4	81	145
Expenditure on renewal/replacement of assets	6	(4,040)	(587)
Expenditure on new/upgraded assets	6	-	(2,484)
Net cash used in investing activities		(3,959)	(2,926)
Cash Flows from Financing Activities			
Proceeds from Borrowings		2,155	4,525
Repayments of Borrowings		(2,091)	(1,815)
Repayment of lease liabilities		(285)	(271)
Net cash provided by (used in) financing activities		(221)	2,439
Net Increase (Decrease) in cash held		(2,319)	1,952
Cash & cash equivalents at beginning of period	5	3,953	2,001
Cash & cash equivalents at end of period	5	1,634	3,953

This Statement is to be read in conjunction with the attached Notes

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

Note 1 – Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood, Payneham & St Peters, City of Prospect, The City of Unley and the Corporation of the Town of Walkerville.

The eight Member Councils have an equity share and the Board comprises a Director from each Council and an Independent Chair appointed by the absolute majority of the Member Councils.

1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards which requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

Eastern Waste Management Authority Inc. operates as a regional subsidiary and is incorporated under the SA Local Government Act 1999. Its principal place of business is at 1 Temple Court Ottoway.

3 Income Recognition

The Authority recognises revenue under AASB 1058 *Income of Not-for-Profit Entities* (AASB 1058) or AASB 15 *Revenue from Contracts with Customers* (AASB 15) when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficient specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters into a transaction where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset that has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

5 Property, Plant & Equipment

5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

5.3 Depreciation of Non-Current Assets

Property, plant and equipment assets are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Asset Class	Estimated Useful Lives	Capitalisation Threshold
Plant, Machinery & Equipment	3-10 Years	>\$1,000
Buildings & Other Structures	5-20 Years	>\$1,000
Right-of-use-assets	Over period of expected lease	n/a

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.

5.4 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

The Authority recognises a liability for employee benefits relating to rostered day off (RDO) entitlements in Note 7 given entitlements are paid-out on termination of employment. Experience indicates that RDO entitlements are generally taken given there is a cap applied to the level of RDO entitlements allowed to be accrued.

No accrual is made for sick leave as the Authority's experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Hostplus (formerly Statewide Super and prior to that the Local Government Superannuation Scheme). The Scheme has two types of membership, each of which is funded differently.

Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with Superannuation Guarantee Legislation (11% in 2023/24; 10.5% in 2022/23). No further liability accrues to the Authority as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions as determined by the Fund's Trustee based on advice for the appointed Actuary. The rate is currently 6.3% (6.3% in 2022/23) of 'superannuation' salary.

In addition, the Authority makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), the Authority does not use defined benefit accounting for these contributions.

The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2023. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

Contributions to Other Superannuation Schemes

The Authority also makes contributions to other superannuation schemes selected by employees under the 'choice of fund' legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the new assets of the scheme, and no further liability attaches to the Authority.

8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of 'Payables'.

9 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

10 Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

11 New Accounting Standards

The Authority did not apply any new accounting standards during the financial year. There are no new accounting standards, interpretations or amendments which are expected to have a material impact on the accounting policies of the Authority for future periods.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Note 2 - Income			
User Charges			
Waste Collection Income		16,713	15,607
Waste Processing Income		5,569	5,326
Administration		277	255
		<u>22,559</u>	<u>21,188</u>
Investment Income			
Interest on investments			
Local Government Finance Authority		66	46
		<u>66</u>	<u>46</u>
Other Income			
Bin Supply		657	382
Replacement Bins		786	681
Sundry		131	15
		<u>1,574</u>	<u>1,078</u>
Note 3 - Expenses			
Employee Costs			
Salaries and Wages		6,488	5,615
Employee leave expense		106	114
Superannuation		616	508
Wages Casual Agency		1,061	1,017
Workers' Compensation Insurance		142	128
Other		79	94
Total Employee Costs		<u>8,492</u>	<u>7,476</u>
Number of FTE Employees as at reporting date		71	63

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

Note 3 - Expenses (cont.)

	Notes	2024 \$'000	2023 \$'000
Materials, Contracts & Other Expenses			
Auditor's Remuneration		13	11
Additional Bin Service Costs		657	379
Board Expenses		22	41
Waste Processing Costs		5,569	5,354
Electricity		17	10
Fuel, Gas & Oil		1,994	2,041
Legal Expenses		9	23
Licences & Telecommunications Costs		235	137
Maintenance		3,197	2,828
Parts, Accessories & Consumables		4	11
Printing, Stationery & Postage		46	33
Professional Services		677	552
Registration & Insurance - Trucks		472	462
Sundry		211	307
		13,123	12,189
Finance Costs			
Interest on Loans		433	338
Interest on Leases		9	16
		442	354
Depreciation & Amortisation			
Buildings & Other Structures	6	82	81
Plant, Machinery & Equipment	6	2,171	1,768
Right-of-use assets	6	259	259
		2,512	2,108
Note 4 - Asset Disposals			
Proceeds from disposal		81	145
Less: Carrying amount of assets sold		-	(2)
Gain (Loss) on disposal		81	143
Note 5 - Current Assets			
Cash & Cash Equivalents			
Cash on Hand and at Bank		618	3,724
Deposits at Call		1,016	229
		1,634	3,953
Trade & Other Receivables			
Debtors - general		1,030	718
Accrued Income		7	28
Prepayments		45	
		1,082	746

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

	2024 \$'000	2023 \$'000
Note 6 - Property, Plant & Equipment		
Buildings & Other Structures - At Cost	617	617
Accumulated Depreciation	(294)	(212)
	323	405
Plant, Machinery & Equipment - At Cost	22,388	19,747
Accumulated Depreciation	(11,738)	(10,966)
	10,650	8,781
Right-of-use-assets	1,346	1,346
Accumulated Depreciation	(1,281)	(1,022)
	65	324
Total Property, Plant & Equipment	11,038	9,510

	2023 \$'000							2024 \$'000
	Carrying Value	Additions		Disposal - Cost	Disposal - Accumulated Depreciation	Depreciation	Adjustment	Carrying Value
		New/Upgrade	Renewal					
Buildings & Other Structures	405	-	-	-	-	(82)	-	323
Plant, Machinery & Equipment	8,781	-	4,040	(1,400)	1,400	(2,171)	-	10,650
Right-of-use-asset	324	-	-	-	-	(259)	-	65
	9,510	-	4,040	(1,400)	1,400	(2,512)	-	11,038
2023 (\$'000)	8,542	2,484	587	(2,205)	2,203	(2,108)	7	9,510

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

	2024 \$'000		2023 \$'000	
Note 7 - Liabilities				
	Current	Non-current	Current	Non-current
Trade & Other Payables				
Goods & Services	1,048	-	1,111	-
Payments received in advance	80	-	80	-
Accrued expenses - other	101	-	75	-
	1,229	-	1,266	-
Borrowings				
Loans	1,953	8,546	2,017	8,413
Lease Liabilities	76	-	289	77
	2,029	8,546	2,306	8,490
Provisions				
Annual Leave	496	-	447	-
Rostered-Day-Off (RDO)	84	-	65	-
Long Service Leave	431	108	359	136
	1,011	108	871	136

Note 8 - Cash Flow Reconciliation

	2024 \$'000	2023 \$'000
Total cash & equivalent assets	1,634	3,953
Balances per Cash Flow Statement	1,634	3,953

(a) Reconciliation of Change in Net Assets to Cash Flows from Operating Activities

Net Surplus (Deficit)	(289)	328
Non-cash items in Statement of Comprehensive Income		
Depreciation	2,512	2,108
Net increase (decrease) in employee benefits	104	113
Net increase (decrease) accrued expenses	(26)	234
(Gain) / Loss on Disposal	(81)	(143)
Lease liability adjustment	(4)	7
	2,216	2,647
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables & inventory	(352)	189
Net increase (decrease) in trade & other payables	(15)	(404)
Net increase (decrease) in other provisions	12	2
Net Cash provided by (or used in) operations	1,861	2,434

(b) Financing Arrangements

Corporate Credit Cards	15	15
Cash Advance Debenture Facility - LGFA	1,000	1,000

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

Note 9 - Financial Instruments

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost.</p> <p>Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 4.3% (2023: 4.3%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Waste Collection Fees & Associated Charges	<p>Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Carrying amount: approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: approximates fair value.</p>
Liabilities - Creditors and Accruals Interest bearing borrowings	<p>Accounting Policy: initially recognised at fair value and subsequently at amortised cost. Interest is charged as an expense using the effective interest rate.</p> <p>Terms & conditions: secured over future revenues and Member Councils, borrowings are repayable on fixed interest terms. Rates between 1.7% - 5.88% (2023: 1.7% - 5.65%).</p>
Liabilities - Leases	<p>Accounting Policy: accounted for in accordance with AASB 16 as stated in Note 11.</p>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

Note 9 (cont) - Financial Instruments Liquidity Analysis

	Maturity			Non- interest bearing	Total
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
2024	\$000	\$000	\$000	\$000	\$000
Financial Assets					
Cash & Equivalents	1,634	-	-	-	1,634
Receivables	-	-	-	1,030	1,030
Total	1,634	-	-	1,030	2,664

Financial Liabilities

Payables	-	-	-	1,048	1,048
Borrowings	2,089	6,766	1,644	-	10,499
Total	2,089	6,766	1,644	1,048	11,547

	Maturity			Non- interest bearing	Total
	≤ 1 year	> 1 year ≤ 5 years	> 5 years		
2023	\$000	\$000	\$000	\$000	\$000
Financial Assets					
Cash & Equivalents	3,953	-	-	-	3,953
Receivables	-	-	-	718	718
Total	3,953	-	-	718	4,671

Financial Liabilities

Payables	-	-	-	1,111	1,111
Borrowings	2,017	6,998	1,781	-	10,796
Total	2,017	6,998	1,781	1,111	11,907

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

Note 10 - Capital Expenditure Commitments

The Authority has capital expenditure commitments totalling an estimated \$2.178 million as at reporting date.

Note 11 - Leases

Authority as a lessee

Right-of-use-assets

The Authority leases its administrative and depot facilities at Ottoway.

	Buildings & Other Structures \$'000	Total \$'000
At 1 July 2023	324	324
Additions of right-of-use-assets	-	-
Depreciation Charge	(259)	(259)
Adjustment to right-of-use-assets	-	-
At 30 June 2024	65	65

Set out below are the carrying amounts of lease liabilities and the movements during the period:

At 1 July 2023	365
Additions	-
Accretion of interest	9
Payments	(294)
Adjustment to lease liability	(4)
At 30 June 2024	76
Current	76
Non-Current	-

Note 12 - Post Balance Date Events

There were no events after reporting date that occurred that require to be reported.

EASTERN WASTE MANAGEMENT AUTHORITY INC

Notes to the Financial Statements for the year ended 30 June 2024

Note 13 - Related Party Transactions

The Key Management Personnel include the Chair of the Board, Chief Executive and other prescribed officers as defined under Section 112 of the *Local Government Act 1999*. In all, 5 persons were paid the following total compensation:

	2024	2023
	\$'000	\$'000
Salaries, allowances & other short term benefits	649	599
Total	649	599

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
Adelaide Hills Council	3,865	113	Provision of kerbside waste collection and hardwaste collection services
City of Burnside	3,701	173	Provision of kerbside waste collection and hardwaste collection services
City of Mitcham	3,556	224	Provision of kerbside waste collection and hardwaste collection services
City of Norwood, Payneham & St Peters	3,325	78	Provision of kerbside waste collection and hardwaste collection services
City of Prospect	1,719	91	Provision of kerbside waste collection and hardwaste collection services
City of Unley	3,717	180	Provision of kerbside waste collection and hardwaste collection services
Corporation of the City of Campbelltown	3,016	51	Provision of kerbside waste collection and hardwaste collection services
Corporation of the Town of Walkerville	609	19	Provision of kerbside waste collection and hardwaste collection services

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.



Accountants, Auditors & Business Consultants

2023/24 Audit Completion Report

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EXECUTIVE SUMMARY

To the members of the audit committee of East Waste

We are pleased to present our Audit Completion Report for the financial year ended 30 June 2024. The purpose of this document is to summarise the key accounting and audit matters that have arisen during the engagement and our audit conclusions.

We intend to issue the following opinion (subject to the satisfactory completion of the items described in section 1 – *Status of our Audit Work* of this document):

Intended opinion	Type of opinion	Proposed Auditor’s Report
Opinion on the Financial Statements	Unmodified	Refer to Appendix 1 of this report.


An unmodified opinion (also known as an unqualified opinion) indicates that we have concluded that the financial statements of the entity are presented fairly, in all material respects, in accordance with the Australian Accounting Standards, the *Local Government Act 1999*, and the *Local Government (Financial Management) Regulations 2011*.

We have included in this report the following information to ensure that management and audit committee members are aware of all significant matters relating to the audit.

Matters	Sections
Status of our audit work	Section 1
Key business cycles – overall audit responses	Section 2
Overall review of the Authority’s internal controls	Section 3
Final management letter	Section 4
Immaterial Uncorrected Misstatements	Section 5
Proposed Independent Auditor’s Report on the Financial Report	Appendix 1
Draft Statement by Auditor	Appendix 2

We also confirm our intention to sign the statement by auditor regarding our independence, and confirm that for the audit of the year ended 30 June 2024 we have maintained our independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

Yours faithfully


Tim Muhlhausler CA Registered Company Auditor
 Date: 10 September 2024

1. Status of our audit work

Below a summary of the status of audit activities and key documents related to the completion of our final audit.

Activities/Documents	Responsibility	Status
Final audit visit	Audit	Completed
Final substantive procedures	Audit	Completed
Audit Completion Report	Audit	Completed
Final draft of the financial report	Management	Completed
Audit verification of the final draft of the financial report	Audit	Completed
Inclusion of a note disclosure on events after the balance date, covering the expiry and renewal of the lease on the Authority's premises.	Management	Outstanding
Final financial report after considerations from the audit committee	Management	Note 1
Signed statement by auditor	Audit	Note 1
Signed certification of auditor independence	Management	Note 1
Signed certification of financial statements	Management	Note 2
Signed management representation letter	Management	Note 2
Final Independent Auditor's Report on the Financial Report	Audit	Note 3

Note 1 To be provided after the audit committee meeting.

Note 2 To be provided after the Board meeting

Note 3 To be provided by audit on receipt of both the:

- final financial report containing the signed certification of financial statements and the signed certification of auditor independence, and
- signed management representation letter.

2. Key business cycles – overall audit responses

2.1. High risk areas where audit placed reliance on controls

The Galpins audit methodology requires a controls approach for account balances and business cycles with inherent risks assessed as high. The account balances and business cycles listed below were considered high risk areas due to the materiality of the account balances, the high volume of transactions involved and/or other reasons outlined below:

Area	Why the risk is High	Overall audit response
Business cycle: User charges Account balance/s: User charges	<ul style="list-style-type: none"> - Largest revenue item - often used as a reference point for analysing expenditure decisions - high reliance placed on the accuracy of data captured by the weigh bridge and fees included in the fees and charges master file. 	<ul style="list-style-type: none"> - Walkthroughs and tests of effectiveness of controls - analytical review comparing the GPS data used to track trucks to the percentage of use of trucks allocated to each constituent council when charging for waste collection - recalculation of contributions from constituent councils based on percentage of use of trucks and adopted budgeted total operating costs - recalculation of a sample of billed amounts related to processing fees based on data captured by the weighbridge (provided by waste processing facilities) and tonnage rates as per contract in place. - review of reconciliations of reports provided by Jeffries and CAWRA to the accounting system.
Business cycle: Banking Account balance/s: Cash and cash equivalents	<ul style="list-style-type: none"> - Material balance - fraud risk - any instances of errors and/or fraud can be indicative of broader errors - poor attitude to cash controls may be indicative of overall culture related to the entity's control environment - involves public money. 	<ul style="list-style-type: none"> - Walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - bank confirmation - inspection of bank statements - inspection / reperformance of bank reconciliations - verification of outstanding reconciling items.

2.2. Moderate risk areas where audit placed reliance on controls

The Galpins audit methodology provides that auditors can adopt either a controls or substantive approach for areas with inherent risks assessed as moderate. We have outlined below the moderate risk areas where audit placed some reliance on controls.

Area	Why controls approach	Overall audit response
Business cycle/s: Payroll Account balance/s: Employee costs, Provisions	<ul style="list-style-type: none"> - Involves a considerable volume of transactions - payroll records contain sensitive data and errors impact on individuals - valuation, accuracy and existence assertions can only be fully addressed by performing a review the design and effectiveness of the payroll internal controls (e.g. approval of timesheets, independent review of payroll reports, security of the payroll master file data and records, reconciliations between payroll system and the general ledger, etc). 	<ul style="list-style-type: none"> - Walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of employee files (contracts, awards, EBs) - inspection of timesheets - recalculation of a sample of individual payments.
Business cycle/s: Purchasing, Procurement and Contracting, Accounts payable, Credit cards Account balance/s: Materials, Contracts & Other expenses, Trade and other payables	<ul style="list-style-type: none"> - One of the largest expense items - high volume of transactions - fraud risk area (procurement, payments and credit cards) - procurement and contracting are key focus areas for ICAC and the Audit Office of SA. 	<ul style="list-style-type: none"> - Walkthroughs and tests of effectiveness of controls from the Better Practice Model - analytical procedures - inspection of supporting documents (contracts, invoices, purchase orders, subsequent payments, etc) for a sample of expenses - reconciliation between subsidiary AP ledgers and the general ledger - inspection of subsequent payments for a sample of recorded creditors - inspection of a sample of subsequent payments (completeness test).
Business cycle/s: General ledger Account balance/s: All	<ul style="list-style-type: none"> - Values from all business cycles are captured in the GL, and therefore any concerns over GL controls are pervasive across all financial statement balances - good controls to ensure completeness and accuracy of the GL are essential to ensure the fair presentation of the financial report. 	<ul style="list-style-type: none"> - Walkthroughs and tests of effectiveness of controls from the Better Practice Model.

2.3. Moderate risk areas (substantive approach)

The Galpins audit methodology provides that auditors can adopt either controls or substantive approach for areas with inherent risks assessed as moderate. We have outlined below the moderate risk areas where audit did not place reliance on controls.

Key Business Cycles	Why substantive approach	Overall audit response
Fixed assets	Key assertions at risk such as existence and valuation can be addressed by performing substantive procedures such as additions/disposals tests and recalculation of depreciation.	<ul style="list-style-type: none"> - Analytical procedures - enquiries re asset management practices in place to replace and maintain waste collection trucks - inspection of supporting documents for additions and/or disposals - review of useful life estimates and depreciation calculations.
Provisions	Key assertions at risk such as valuation can be addressed by performing substantive procedures such as recalculation of AL and LSL.	<ul style="list-style-type: none"> - Analytical procedures - review / recalculation of annual leave, long service leave and rostered day-off provisions.
Borrowings	Key assertions at risk such as valuation can be addressed by performing substantive procedures such as obtaining confirmation from the LGFA.	<ul style="list-style-type: none"> - Analytical procedures - inspection of balance confirmations from lenders (e.g. LGFA, etc) - review of interest rates recorded in note disclosures.
Other income	Key assertions at risk such as accuracy and completeness can be addressed by performing analytical procedures and test of details such as inspection of relevant supporting document.	<ul style="list-style-type: none"> - Analytical procedures - enquires re the nature of these amounts - review of revenue recognition methodologies and assessment of whether they are accordance with accounting standards - inspection of relevant supporting documents.

2.4. Low risk areas (substantive approach)

The Galpins audit methodology provides that auditors can adopt a substantive approach for areas with inherent risks assessed as low. We adopted a substantive approach for all low risk areas, with a focus on analytical procedures.

2.5 Intended opinion on the financial report

We have completed our final risk of material misstatements assessment and concluded that the audit procedures performed were sufficient to reduce the audit risk to an acceptable level. We have evaluated the results of our audit testing and determined that no further adjustments to the financial statements are required.

In our opinion, subject to the satisfactory completion of the items described in section 1 of this report, ***the financial report prepared by the Authority presents fairly***, in all material respects, the Authority's financial position as at the end of the current financial year and its financial performance for the year ended on that date (refer to our proposed Independent Auditor's Report on the Financial Report included in Appendix 1 of this report).

3. Overall review of the Authority's internal controls

We have designed and performed tests to evaluate the effectiveness of the Authority's financial internal controls. This evaluation determines the risk of material misstatement in the financial statements and identifies opportunities for improvement in processes and controls.

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	BP
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	-

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.

An interim audit management letter was issued and provided to the audit committee containing our overall assessment of the authority's internal controls and all the controls weaknesses identified during our review of the authority's financial controls.

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 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.

4. Final management letter

We have identified the following additional performance improvement observations when performing our substantive procedures during our final audit:

1. Expired grant agreements with incomplete projects		Low
Finding	<p>The Authority has a total of \$80,000 recorded as payments received in advance in the financial report, related to two grant agreements signed in June 2021.</p> <ol style="list-style-type: none"> Food Waste Pilot for Multi-Unit Dwellings: This agreement, totalling \$79,960, was provided to implement a trial for offering a lined and ventilated food waste service for multi-unit dwellings in the Cities of Charles Sturt and West Torrens, with the goal of increasing source separation of kerbside recyclables. The Authority has spent \$54,960 on tasks associated with this project and expects to conclude it during the 2024/25 financial year. Piloting RFID & Bin Weight with Feedback Through a Phone App: This agreement, totalling \$50,000, was for developing a phone app to provide feedback to residents on their bin weights and assess behaviour change through regular feedback. However, no progress has been made on this project since 2021 due to issues with the IT systems involved in its development. The Authority still needs to decide whether to proceed with this project. <p>Both agreements required a final report to be submitted by 31 January 2023, and the contracts expired on 30 June 2023.</p>	
Risk	<p>The expiration of the grant agreements with incomplete projects represents a risk of non-compliance and potential financial liability i.e. if the projects are not completed as required, there may be a need to return the funds.</p>	
Recommendation	<p>Determine whether these projects will be completed and continue to liaise with the grantor on a regular basis to discuss the status of the projects.</p> <p>If it is determined that any of the projects will not be completed, the Authority will need to determine whether there is a need to return all or part of the funds, and account for this in the financial records.</p>	

Management Response	Both Agreements are through Green Industries SA and East Waste has been in regular contact with GISA regarding the progress and status of the projects. GISA is comfortable with the current status of the project. Both projects will be drawn to a close in the FY25 year.
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2. Employees with excessive annual leave balances		Low
Finding	Audit identified 7 employees with annual leave balances in excess of 300 hours (approximately 2 years of entitlement).	
Risk	Leave balances exceeding the allowable balances under the relevant EB. Staff not taking leave has financial implications as leave is paid at higher rates than it was accrued, and may lead to health, safety and welfare issues. Regular taking of leave also acts as a fraud prevention control.	
Recommendation	Implement strategies to systematically reduce excessive leave balances, and prevent employees from accumulating excessive balances.	
Management Response	<p>The high leave balances occurred predominately through COVID and the subsequent Operator shortage experienced. Management were well aware of the high leave balances being carried by some staff and sought to address and formalise through the most recent Enterprise Agreement (EA) negotiations.</p> <p>The current EA has implemented a suite of clauses around Annual Leave restricting staff accruing more than 8 weeks leave, with staff provided a reminder letter to book leave upon accruing 6 weeks leave. A 9 month transition period has been implemented as well to address those with high leave balances.</p> <p>Additionally, a revised RDO system has been negotiated through the current Enterprise Agreement, which ensures that no accrued RDOs greater than one day are carried forward into a new financial year.</p> <p>These two measures should see no concern with future leave balances.</p> <p>The average leave balance for staff covered by the Enterprise Agreement as at 7 August 2024 is just over 3 weeks and does not include any planned leave.</p>	

3. Business Activity Statements (BAS) does not agree with the trial balance		Low
Finding	<p>The BAS lodged with the ATO for the period from 1 April 2024 to 30 June 2024 reported a total refund of \$80,162 due to East Waste, of which \$63,000 was related to GST. The remaining balance includes Fuel Tax Credits (FTC) and Fringe Benefits Tax (FBT) payable.</p> <p>The trial balance as of 30 June 2024, used in preparing the financial report, showed a receivable balance of \$71,863 for East Waste, related specifically to GST.</p> <p>Management advised that the \$63,000 GST refund included in the June BAS differs from the \$71,863 GST balance recorded in the trial balance due to corrections made to GST amounts in certain invoices processed during the 2023/24 financial year. These adjustments have since been reflected in the July BAS, resulting in the final amount being recouped by East Waste.</p>	
Risk	Risk of misstatements in the financial report and non compliance with laws and regulations.	
Recommendation	Ensure that the Business Activity Statements (BAS) adjustments are made to correct for prior errors.	
Management Response	<p>Management agrees with the interpretation of the GST discrepancy as detailed above. Following finalisation of the June BAS and internal end of financial year processing, two purchases where GST was incorrectly recorded, being understated, were identified in the FY24 records. The GST coding was amended, resulting in an additional refundable amount owed to East Waste as at June 2024. Management deemed the amount to be immaterial and opted to recoup the funds through the July 2024 BAS rather than lodging an amendment to the June BAS, which has since been lodged and monies received.</p>	

5. Immaterial Uncorrected Misstatements

There are no immaterial uncorrected misstatements to report. All misstatements identified during our audit have been adjusted in the financial report.

Appendix 1 – Proposed Independent Auditor’s Report on the Financial Report

To the members of the Eastern Waste Management Authority Inc

Opinion

We have audited the accompanying financial report of the Eastern Waste Management Authority Inc (the Authority), which comprises the statements of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Certification of the Financial Statements.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Authority as at 30 June 2024, and of its financial performance and its cash flow for the year then ended in accordance with the Australia Accounting Standards, *Local Government Act 1999* and *Local Government (Financial Management) Regulations 2011*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Authority in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility for the Financial Report

The Authority is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* and for such internal control as Authority determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Authority is responsible for assessing the authority’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Authority’s financial reporting process.

Auditor’s Responsibility for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatements, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and

are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of this financial report.

As part of an audit of the financial report in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risk of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the financial report in order to design procedures that are appropriate in the circumstances, but for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

Date:

Appendix 2 – Statement by Auditor

I confirm that, for the audit of the financial statements of the Eastern Waste Management Authority for the year ended 30 June 2024, I have maintained my independence in accordance with the requirements of APES 110 – *Code of Ethics for Professional Accountants (including Independence Standards)*, Part 4A, published by the Accounting Professional and Ethical Standards Board, in accordance with the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011* made under that Act.

This statement is prepared in accordance with the requirements of Regulation 22 (5) *Local Government (Financial Management) Regulations 2011*.

GALPINS ACCOUNTANTS, AUDITORS & BUSINESS CONSULTANTS

Tim Muhlhausler CA, Registered Company Auditor
Partner

Date:



xx September 2023

Tim Muhlhausler
Galpins
PO Box 4067
Norwood South SA 5067

Dear Tim,

RE: AUDIT FOR EASTERN WASTE MANAGEMENT AUTHORITY INC FOR THE YEAR ENDED 30 JUNE 2024

This representation letter is provided in connection with your audit of the financial statements of **Eastern Waste Management Authority Inc** (the “Authority”) for the year ended 30 June 2024 for the purpose of forming an opinion whether, in all material respects, the financial statements are presented fairly in accordance with the Local Government Act 1999, Local Government (Financial Management) Regulations 1999 and Australian Accounting Standards so as to present a view which is consistent with your understanding of Eastern Waste Management Authority Inc’s financial position, the results of its operations and its cash flows.

We acknowledge our responsibility for the preparation of the financial statements including adequate disclosure. We also acknowledge our responsibility for the implementation and operation of accounting and internal control systems that are designed to prevent and detect fraud and error.

We confirm, to the best of our knowledge and belief, the following representations:

We have implemented and maintained sufficient internal controls and processes within the Authority and ensure all elected controls regarded as ‘core’ have complied with.

There have been no irregularities involving management or employees who have a significant role in the accounting and internal control systems or that could have a material effect on the financial statements;

We have disclosed to you all significant facts relating to any frauds or suspected frauds known to us that may have affected the Authority;



We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud;

We have made available to you all books of account and supporting documentation and all minutes of meetings. Where minutes have not been prepared for recent meetings, a summary of decisions taken at those meetings has been made available to you;

We confirm the completeness of the information provided regarding the identification of related parties, and balances and transactions with related parties;

The financial statements are free of material misstatements, including omissions;

We believe the effects of those uncorrected financial report misstatements noted by you or your staff during the audit are immaterial, both individually and in aggregate to the financial report taken as a whole;

The Authority has complied with all aspects of contractual agreements that could have a material effect on the financial statements in the event of non-compliance;

We have disclosed to you all known incidences of possible or actual non-compliance with laws and regulations whose effects should be considered when preparing the financial report;

The following have been properly recorded and, when appropriate, adequately disclosed in the financial statements:

- The identity of, and balances and transactions with, related parties;
- Losses arising from sale and purchase commitments;
- Agreements and options to buy back assets previously sold,
- Assets pledged as collateral.

We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

The Authority has satisfactory title to all assets and there are no liens or encumbrances on the company's assets, except for those that are disclosed in notes to the financial statements.

We have recorded or disclosed, as appropriate, all liabilities, both actual and contingent.



There have been no events subsequent to period end which require adjustment of or disclosure in the financial statements or Notes thereto.

All claims that have been received in connection with litigation do not require adjustment of or disclosure in the financial statements of Notes thereto.

There are no formal or informal set-off arrangements with any of our cash and investment accounts. We have no other line of credit arrangements.

There are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.

Rob Gregory
General Manager

xx September 2023

9.2 Regulation 10 Financial Report

Report Author General Manager

Attachments A: Regulation 10 Financial Report

Purpose and Context

To provide the Board with a Report on the previous financial year performance (FY23) against budget as required by Regulation 10 of the *Local Government (Financial Management) Regulations 2011*.

Recommendation

The East Waste Board adopts the Regulation 10 Financial Report as presented in Attachment A.

Strategic Link

Objective 5. Provide Leadership

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

Background

The Report is provided in accordance with Regulation 10(1) of the *Local Government (Financial Management) Regulations 2011* (Regulations):

A council, council subsidiary or regional subsidiary must, by no later than 31 December in each year, prepare and consider a report showing the audited financial results of each item shown in the statement of comprehensive income and balance sheet of the budgeted financial statements of the council, council subsidiary or regional subsidiary (as the case may be) for the previous financial year compared with the estimated financial results set out in the budget presented in a manner consistent with the Model Financial Statements.

Report

This is a standing legislative report provided in accordance with the Regulations (refer Attachment A).

ITEM 9.2 - ATTACHMENT A

Eastern Waste Management Authority

Uniform Presentation of Finances

	2023/24 \$000 Adopted Budget	2023/24 \$000 BR1	2023/24 \$000 BR2	2023/24 \$000 BR3	2023/24 \$000 Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Income					
<i>User Charges</i>	22,747	22,747	22,747	22,775	22,559
<i>Investment Income</i>	20	25	55	60	66
<i>Grants, subsidies and contributions</i>	50	50	50	50	-
<i>Net gain - equity accounted Joint Venture</i>	1,322	1,322	1,372	1,404	1,574
	24,139	24,144	24,224	24,289	24,199
Expenses					
<i>Employee Costs</i>	7,675	7,675	7,885	7,899	8,492
<i>Materials, Contracts & Other Expenses</i>	13,275	13,275	13,514	13,308	13,123
<i>Depreciation, Amortisation & Impairment</i>	2,657	2,657	2,566	2,566	2,512
<i>Finance Costs</i>	384	384	430	430	442
	23,991	23,991	24,395	24,203	24,569
Operating Surplus / (Deficit)	148	153	(171)	86	(370)
Net Outlays on Existing Assets					
<i>Capital Expenditure on renewal and replacement of Existing Assets</i>	(2,115)	(4,111)	(4,111)	(4,120)	(4,040)
<i>Depreciation, Amortisation and Impairment</i>	2,657	2,657	2,566	2,566	2,512
<i>Proceeds from Sale of Replaced Assets</i>	50	50	92	92	81
	592	(1,404)	(1,453)	(1,462)	(1,447)
less Net Outlays on New and Upgraded Assets					
<i>Capital Expenditure on New and Upgraded Assets</i>	(40)	(40)	(40)	(40)	-
<i>Amounts received specifically for New and Upgraded Assets</i>	-	-	-	-	-
<i>Proceeds from Sales of Replaced Assets</i>	-	-	-	-	-
	(40)	(40)	(40)	(40)	-
Net Lending / (Borrowing) for Financial Year	700	(1,291)	(1,664)	(1,416)	(1,817)

Eastern Waste Management Authority
Statement of Comprehensive Income

	2023/24 \$000 Adopted Budget	2023/24 \$000 BR1	2023/24 \$000 BR2	2023/24 \$000 BR3	2023/24 \$000 Actual
		\$'000	\$'000	\$'000	\$'000
Income					
User Charges	22,747	22,747	22,747	22,775	22,559
Investment Income	20	25	55	60	66
Grants, subsidies and contributions	50	50	50	50	-
Net gain - equity accounted Joint Venture	1,322	1,322	1,372	1,404	1,574
Total Income	24,139	24,144	24,224	24,289	24,199
Expenses					
Employee Costs	7,675	7,675	7,885	7,899	8,492
Materials, Contracts & Other Expenses	13,275	13,275	13,514	13,308	13,123
Depreciation, Amortisation & Impairment	2,657	2,657	2,566	2,566	2,512
Finance Costs	384	384	430	430	442
Total Expenses	23,991	23,991	24,395	24,203	24,569
Operating Surplus / (Deficit)	148	153	(171)	86	(370)
Net Gain / (Loss) on Disposal of Assets	18	18	60	60	81
Amounts received specifically for new/upgraded assets	-	-	-	-	-
Net Surplus / (Deficit)	166	171	(111)	146	(289)
Other Comprehensive Income					
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	166	171	(111)	146	(289)

Eastern Waste Management Authority

Statement of Cash Flows

	2023/24 \$000 Adopted Budget	2023/24 \$000 BR1	2023/24 \$000 BR2	2023/24 \$000 BR3	2023/24 \$000 Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash Flows from Operating Activities					
Operating Receipts	24,069	24,069	24,119	24,179	23,801
Investment Receipts	20	25	55	60	62
Employee costs	(7,565)	(7,565)	(7,765)	(7,765)	(8,380)
Materials, contracts & other expenses	(13,275)	(13,275)	(13,514)	(13,308)	(13,141)
Interest Payments	(384)	(384)	(433)	(433)	(481)
Net cash provided by (used in) operating activities	2,865	2,870	2,462	2,733	1,861
Cash Flows from Investing Activities					
Sale of Replaced Assets	50	50	92	92	81
Expenditure on Renewal/Replacement Assets	(2,115)	(4,111)	(4,111)	(4,120)	(4,040)
Expenditure on New/Upgraded Assets	(40)	(40)	(40)	(40)	-
Net cash provided by (used in) investing activities	(2,105)	(4,101)	(4,059)	(4,068)	(3,959)
Cash Flows from Financing Activities					
Proceeds from Borrowings	2,115	2,115	2,115	2,115	2,155
Repayment of Lease Liabilities	(285)	(285)	(285)	(285)	(285)
Repayment of Borrowings	(1,944)	(1,944)	(2,086)	(2,086)	(2,091)
Net cash provided by (used in) financing activities	(114)	(114)	(256)	(256)	(221)
Net Increase (Decrease) in cash held	646	(1,345)	(1,853)	(1,591)	(2,319)
Cash & Cash Equivalents at the beginning of period	2,355	3,953	3,953	3,953	3,953
Cash & Cash Equivalents at end of period	3,001	2,608	2,100	2,362	1,634

Eastern Waste Management Authority

Statement of Financial Position

	2023/24 \$000 Adopted Budget	2023/24 \$000 BR1	2023/24 \$000 BR2	2023/24 \$000 BR3	2023/24 \$000 Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Current Assets					
Cash & Cash Equivalents	3,001	2,608	2,100	2,362	1,634
Trade & Other Receivables	935	746	746	746	1,082
Inventory	50	43	43	43	63
Total Current Assets	3,986	3,397	2,889	3,151	2,779
Non-Current Assets					
Property, Plant & Equipment	10,490	10,972	11,066	11,074	11,038
Total Non-Current Assets	10,490	10,972	11,066	11,074	11,038
Total Assets	14,476	14,369	13,955	14,226	13,817
Current Liabilities					
Trade & Other Payables	1,311	1,216	1,216	1,216	1,229
Borrowings	2,200	2,355	2,355	2,355	2,029
Provisions	893	926	931	938	1,011
Total Current Liabilities	4,404	4,497	4,502	4,509	4,269
Non-Current Liabilities					
Borrowings	8,402	8,327	8,185	8,185	8,546
Provisions	229	191	196	203	108
Total Non-Current Liabilities	8,631	8,518	8,381	8,388	8,654
Total Liabilities	13,035	13,015	12,883	12,897	12,923
Net Assets	1,441	1,354	1,072	1,329	894
Equity					
Accumulated Surplus	1,441	1,354	1,072	1,329	894
Total Equity	1,441	1,354	1,072	1,329	894

Eastern Waste Management Authority

Statement of Changes in Equity

	2023/24 \$000 Adopted Budget	2023/24 \$000 BR1	2023/24 \$000 BR2	2023/24 \$000 BR3	2023/24 \$000 Actual
	\$'000	\$'000	\$'000	\$'000	\$'000
Accumulated Surplus					
Balance at beginning of period	1,275	1,183	1,183	1,183	1,183
Net Surplus / (Deficit)	166	171	(111)	146	(289)
Transfers from reserves	-	-	-	-	-
Transfers to reserves	-	-	-	-	-
Distribution to Councils	-	-	-	-	-
Balance at end of period	1,441	1,354	1,072	1,329	894
Total Equity	1,441	1,354	1,072	1,329	894

9.3 Draft 2023/2024 Annual Report

Report Author Manager Business Services

Attachments A: Draft 2023/2024 East Waste Annual Report

Purpose and Context

To present the draft 2023/2024 Annual Report (the report) to the East Waste Board for review and feedback. The report has been prepared in line with *the Local Government Act 1999* and highlights East Waste's key activities, financial performance, and achievements, while serving as a critical tool for transparency, accountability, and stakeholder communication.

Recommendation

That the East Waste Board adopts the 2023/2024 East Waste Annual Report as presented in Attachment A, with the inclusion of signed Financial Statements, and authorises East Waste's General Manager to present to Member Councils.

Strategic Link

Objective 5. Provide Leadership

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

Background

The Local Government Act 1999 outlines the legislative requirements for Annual Reports of Councils and/or their subsidiaries and includes a key focus on performance reporting.

In addition to meeting legislative obligations, the Annual Report serves as a crucial communication tool. It provides Member Councils, the broader community, current and potential employees, other Councils, and prescribed bodies with detailed insights into East Waste's operations, services, activities, performance and achievements.

As a key document of accountability, the Annual Report forms an integral part of East Waste's Governance Framework. It also serves as a historical record, capturing some of the year's significant activities and accomplishments.

Report

The draft 2023/2024 Annual Report has been prepared in accordance with the legislative requirements outlined in the *Local Government Act 1999*, ensuring that necessary areas, including financial and performance reporting, have been addressed.

This year's report highlights East Waste's key activities, achievements, and overall performance for the financial year. It includes information on service delivery, operational efficiency, and financial sustainability. The report also details some of the initiatives implemented to enhance environmental sustainability and community engagement associated with Food Organics and Garden Organics (FOGO) trials.

Key areas of focus in the 2023/2024 Annual Report include:

- a summary of operational metrics including volumes and numbers of collections.
- detailed financial statements and performance metrics, which reflect East Waste's continued commitment to responsible financial management.
- an overview of the key successes and opportunities as outlined by the General Manager and Chairman in their respective reports.

The draft Annual Report has undergone an internal review to ensure its accuracy, completeness, and alignment with East Waste's governance framework. It was presented to the East Waste Audit and Risk Management Committee (the Committee) at the meeting held on the 17 September 2024 where the Committee recommended:

9.3 Draft 2023/2024 Annual Report

Moved Mr F Bell that Audit & Risk Management Committee recommend to the East Waste Board that the 2023/2024 East Waste Annual Report as presented at Attachment A (excluding minor wording/graphics changes that may be made) is adopted.

Seconded Ms L Green

Carried

Conclusion

The draft 2023/2024 Annual Report reflects East Waste's commitment to transparency, accountability, and sound governance. It provides a comprehensive overview of our performance, achievements, and financial management for the year, and is presented for the endorsement of the East Waste Board.

EastWaste

Annual Report 2023-2024

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East Waste
continue to **lead**
the way in
pioneering and
innovative
waste management
solutions.

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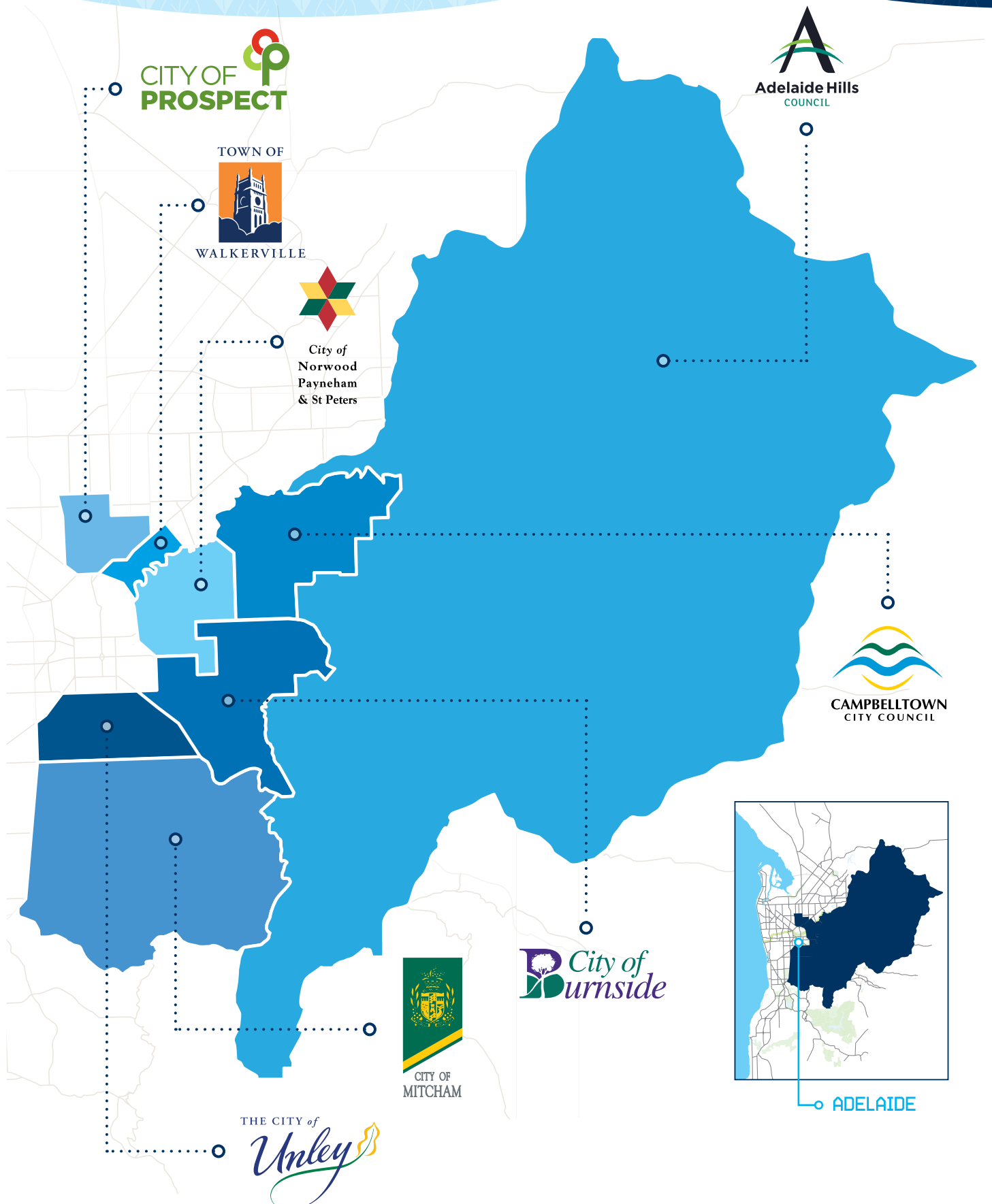
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East Waste Service Area

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Chairperson's Report

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I am pleased to present my fifth Annual Report as Chairperson of East Waste, covering the 2023/2024 financial year. This year, we have continued to focus on our strategic vision of being the leading waste logistics company in Australia, delivering innovative and sustainable waste management services to our Member Councils and the communities they serve.

The waste management sector is constantly evolving, with new challenges and opportunities emerging regularly. Whether it's adapting to shifts in legislation, technology advancements, or changing community expectations, East Waste has remained at the forefront of this dynamic landscape. We understand that staying flexible and forward-thinking is critical to our success, and we have embraced this change as an opportunity to innovate and improve.

A major highlight of the year has been the successful rollout of our Food Organics and Garden Organics (FOGO) trials. These trials have proven to be a significant step forward in our mission to reduce landfill. What has been particularly rewarding is the high level of community participation, with only a small percentage of people opting out of the trials.

This positive response demonstrates that we are on the right track in promoting long-term behavioural change in how waste is managed across our Member Councils. The success of these trials will undoubtedly help guide future initiatives aimed at achieving greater sustainability.

Maintaining the high standard of service that East Waste is known for, in the midst of ongoing challenges in the labour market, has been another key focus.

Our team's efforts to attract and retain skilled drivers have been successful, ensuring the continuity of our services across all councils. The emphasis we place on fostering a culture of professionalism and operational efficiencies within East Waste has played a significant role in navigating these challenges.



Chairperson's Report

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In terms of governance, East Waste has remained steadfast in adhering to critical industry regulations, including those set by the National Heavy Vehicle Regulator. Additionally, the successful completion of the Enterprise Bargaining Agreement demonstrates our commitment to ensuring positive outcomes for both staff and the organisation as a whole. These achievements contribute to East Waste's strong standing as a responsible and reliable partner for our Member Councils.

Our Audit and Risk Management Committee has once again provided invaluable guidance and oversight, helping us to navigate financial pressures and ensure sound risk management practices. The Committee's work has been crucial as we continue to explore opportunities for increased efficiency and cost-saving measures, all while maintaining our commitment to delivering high-quality services.

Looking ahead, East Waste is preparing for several significant initiatives, including a review of our Strategic Plan and key tenders, as well as the strengthening of our internal audit capabilities. These efforts are designed to

ensure that East Waste remains proactive and responsive to the evolving needs of our Member Councils and the waste management industry.

I would like to express my deepest appreciation to the entire East Waste team for their hard work and dedication over the past year. I would also like to thank my fellow Board Members for their support and leadership, as well as our partners for their ongoing collaboration.

Together, we have made significant progress toward our goals, and I look forward to another year of continued success/innovation and improvement.



Fraser Bell
Independent Chairperson





East Waste's **initiatives** are vital in ensuring that we **remain adaptable** and forward-thinking.

In 2023-2024 East Waste Achieved...

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124,559 TOTAL TONNES
COLLECTED*



10,072,723 ANNUAL BIN
COLLECTIONS



23,358 HARD WASTE COLLECTIONS
COMPLETED



2,879 HARD WASTE TONNES
CONVERTED TO FUEL



57% OF MATERIAL DIVERTED
FROM LANDFILL



57 COLLECTION
VEHICLES



7,563 BIN REPAIRS UNDERTAKEN
BY THE MOBILE TEAM



6,792 BIN DELIVERIES
COMPLETED



132,257 ENQUIRIES RECEIVED &
RESOLVED Phone 63,697 Online 68,560



12,537 MATTRESSES COLLECTED
AND RECYCLED



8,736 ADDITIONAL BIN PERMITS
APPROVED

*Kerbside Bin Tonnes include litter but do not include Mitcham Landfill.



General Manager's Report

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I am pleased to present the 2023/2024 East Waste Annual Report. This year, East Waste has once again demonstrated its commitment to delivering high-quality waste management services, even in the face of numerous challenges. Our continued focus on sustainability, operational efficiency, and service delivery has enabled us to achieve several key milestones.

The standout achievement of this year has been our Food Organics and Garden Organics (FOGO) trials in partnership with selected Member Councils. Food is one of the largest discarded items, by weight, through the kerbside bins and is a valuable resource that can be put to great use through its transition into compost, but currently is largely being wasted.

The weekly FOGO (green) bin collection trials have been a significant opportunity for East Waste to showcase our ability to drive and achieve community engagement and achieve lasting behaviour change. I commend Adelaide Hills Council, Campbelltown City Council and the City of Prospect, who we have worked closely with and repeatedly demonstrated an ability to achieve and sustain state government municipal solid waste diversion targets along with strong community acceptance.

Simply, matching household waste volumes to collection cycles is the best way to drive the recycling of food waste and a raft of other environmental and financial benefits. Broader rollouts unfortunately have been reduced as a result of legislative uncertainty and it is imperative that the State Government work with Local Government and provide appropriate flexibility in the legislation through the upcoming Environment Protection Policy Review if targets and more efficient use of our collected resources is a holistic priority.

Whilst reflecting on the past year, it is important to acknowledge the collaboration and support from our Member Councils. Our service reporting to Councils has been enhanced, allowing for greater transparency and better alignment with each Council's waste management goals. These reports, alongside our refined reconciliation



General Manager's Report

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processes, have contributed to greater operational efficiencies, which remain a priority as we navigate increasing cost pressures.

Our ability to maintain high standards of service delivery, despite a challenging labour market, is another key achievement this year. The attraction and retention of skilled drivers have been a focal point, with new drivers commending East Waste's culture of professionalism and operational excellence.

The success of these initiatives underscores our commitment to being an employer of choice in the industry, which has been further solidified by a successful Enterprise Bargaining Agreement negotiation. East Waste continues to uphold a strong adherence to the National Heavy Vehicle Regulator standards, an area that is often undersold but critically important in ensuring safety and compliance in our sector. Our ongoing commitment to improving internal governance and processes has further strengthened our operational resilience.

During the year, we were deeply saddened by the loss of two valued members of the East Waste family. Ray Pawa worked with us for almost 20 years, principally as our Coordinator of Operational Services and was one of the most loyal and dedicated staff I have had the pleasure of working with. Importantly, Ray was a kind and genuine gentleman and the only thing missed more than his knowledge and passion is his big smile, laugh and sense of humour. Such was Ray's legacy, he is the first member of staff to have a new truck named after them.

We were also saddened to hear of Shane Raymond's passing. Shane worked with East Waste for a period of 6 years and was instrumental in shaping a lot of policy and governance and like Ray, a terrific person.

Both Ray and Shane made significant contributions to East Waste during their time with us, leaving a lasting impact on our organisation and those who had the privilege of working with them.



Looking forward, East Waste is poised to undertake a review of our Strategic Plan and key tenders, as well as strengthen our internal auditing functions. These initiatives are vital in ensuring that East Waste remains adaptable and forward-thinking, ready to meet the evolving needs of our Councils and communities.

In signing off on another successful year, I would like to take this opportunity to thank the Board, the Audit & Risk Management Committee and our dedicated staff for their guidance, hard work and continued commitment to serve the community and drive organisational improvement. The past year's successes are a testament to the collective efforts of everyone involved in East Waste's operations.

As we move into the next financial year, I am confident that East Waste will continue to lead the way in innovative waste management, fostering strong relationships, and delivering exceptional service to the communities we serve.





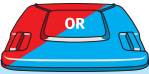


Rob Gregory
General Manager



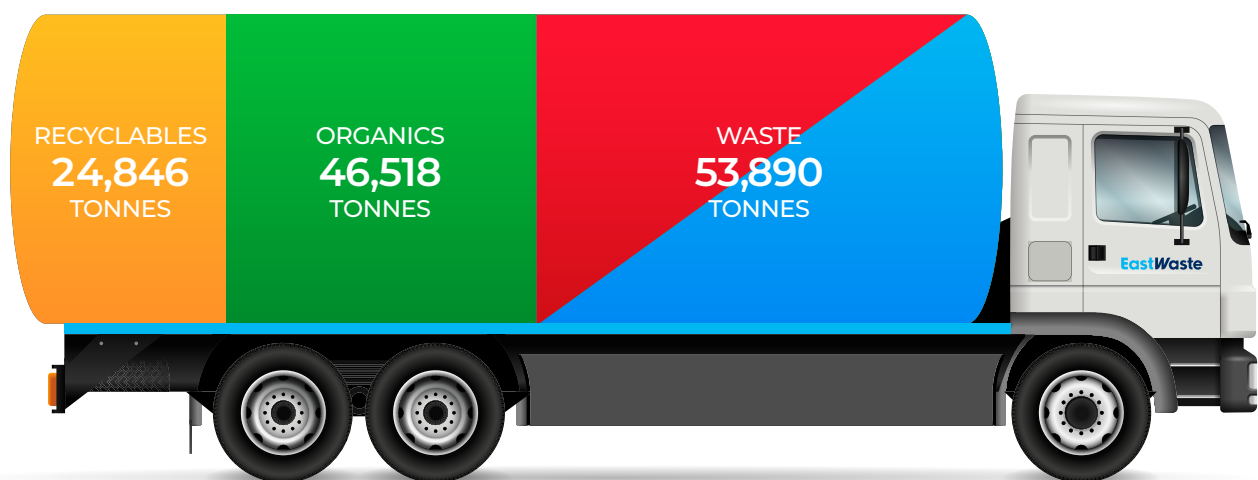
East Waste
continue to
lead the way
in pioneering
innovative waste
management.

Kerbside Tonnages Collected

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Member Council	 Recyclables	 Organics	 Waste	 Hard Waste	 Mattresses Recycled
Adelaide Hills Council	3,366	5,002	7,333	111	384
City of Burnside	3,663	7,286	6,997	398	1762
Campbelltown City Council	3,948	7,202	9,718	557	2,620
City of Mitcham *	5,271	11,543	11,228	769	3,144
City of Norwood Payneham & St Peters	3,089	5,052	6,704	399	1,836
City of Prospect	1,585	3,362	3,658	291	1,229
City of Unley	3,260	5,907	6,422	294	1,439
Town of Walkerville	615	1157	1300	61	123

*City of Mitcham undertakes the collection of Landfill for its residents



East Waste Governance

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East Waste is administered by a Board in accordance with the requirements of the Local Government Act 1999, the East Waste Charter, and various other policies and codes.

The membership of the Board comprises of eight directors – one director appointed by each of the Member Councils, and one independent person who acts as Chair. The Board appoints a General Manager who is responsible for implementing

he decisions made by the Board and running the day-to-day operations of East Waste. The Board held seven formal meetings over the 2023-2024 financial year. The table below details Board Member attendance.

BOARD MEMBER	MEETINGS
Mr Fraser Bell (Chair)	7/7
Cr Lucy Huxter (Adelaide Hills Council)	5/7
Cr Ted Jennings (City of Burnside) * Deputy Chair until 14 March 2024	6/7
Mr Paul Di Iulio (Campbelltown City Council)	3/7
Cr Claire Clutterham (City of Norwood Payneham & St Peters)	2/7
Mayor Heather Holmes-Ross (City of Mitcham)	5/7
Mr Sam Dilena (City of Prospect)	6/7
Mr Claude Malak (City of Unley)	7/7
Mayor Melissa Jones (Corporation of the Town of Walkerville) *Deputy Chair from 14 March 2024	7/7

DEPUTY DIRECTOR ATTENDANCE	MEETINGS
Mr Andrian Wiguna (Campbelltown City Council)	3/3
Mr David Waters (Adelaide Hills Council)	1/1
Cr Victoria McFarlane (City of Norwood Payneham & St Peters)	1/1



Audit and Risk Management Committee

In accordance with the requirements of the Local Government Act 1999, East Waste has an established Audit and Risk Management Committee (the Audit Committee).

The principal objective of the Audit Committee is to ensure that the East Waste Board meets its

legislative and probity requirements as required by the Local Government Act 1999 and other relevant legislation, standards and codes. The Audit Committee held five formal meetings over the 2023-2024 financial year. The table below details Audit Committee Member attendance.

AUDIT & RISK MANAGEMENT COMMITTEE MEMBER	MEETINGS
Ms Emma Hinchey (Independent Member and Chair)	5/5
Mr Fraser Bell (Independent Board Chair)	5/5
Mr Paul Di Iulio (Board Appointment)	4/5
Cr Linda Green (Independent Member)	5/5
Ms Sandra Di Blasio (Independent Member) Appointment expired January 2024 and was reappointed 1 March 2024	3/4

The Audited Financial Statements for the year ending 30 June 2023 are provided on the following pages.



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EastWaste
FINANCIAL
STATEMENTS
2023-2024



Financial Statements

2023-2024

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Financial Statements

2023-2024

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CERTIFICATION OF FINANCIAL STATEMENTS



Financial Statements

2023-2024

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STATEMENT OF COMPREHENSIVE INCOME for the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
INCOME			
User charges	2	22,559	21,188
Investment income	2	66	46
Other	2	1,574	1,078
Total Income		24,199	22,312
EXPENSES			
Employee costs	3	8,492	7,476
Materials, contracts & other expenses	3	13,123	12,184
Finance costs	3	442	354
Depreciation & amortisation	3	2,512	2,108
Total Expenses		24,569	22,122
OPERATING SURPLUS		(370)	190
Asset disposal & fair value adjustments	4	81	143
NET SURPLUS		(289)	333
Other Comprehensive Income		-	-
Total Other Comprehensive Income		-	-
TOTAL COMPREHENSIVE INCOME		(289)	333

This Statement is to be read in conjunction with the attached Notes.

Financial Statements

2023-2024

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STATEMENT OF FINANCIAL POSITION for the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	5	1,634	3,953
Trade & other receivables	5	1,082	746
Inventory		63	43
Total Current Assets		2,779	4,742
Non-current Assets			
Property, Plant & Equipment	6	11,038	9,510
Total Non-current Assets		11,038	9,510
Total Assets		13,817	14,252
LIABILITIES			
Current Liabilities			
Trade & Other Payables	7	1,299	1,266
Provisions	7	1,011	871
Borrowings	7	2,029	2,306
Total Current Liabilities		4,269	4,443
Non-current Liabilities			
Borrowings	7	8,546	8,490
Provisions	7	108	136
Total Non-current Liabilities		8,654	8,626
Total Liabilities		12,923	13,069
Net Assets		894	1,183
EQUITY			
Accumulated Surplus		894	1,183
Total Equity		894	1,183

This Statement is to be read in conjunction with the attached Notes.





**East Waste
will continue to
lead and adapt
to future waste
management
challenges.**

Financial Statements

2023-2024

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STATEMENT OF CHANGES IN EQUITY for the year ended 30 June 2024

	Accumulated Surplus \$'000	Total Equity \$'000
Balance at start of period - 1 July 2023	1,183	1,183
Net Surplus for Year	(289)	(289)
Other Comprehensive Income		
Contributed Equity	-	-
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2024	894	894
 Balance at start of period - 1 July 2022	 850	 850
Net Surplus for Year	333	333
Other Comprehensive Income		
Contributed Equity	-	-
Distributions to Member Councils	-	-
Balance at end of period - 30 June 2023	1,183	1,183

This Statement is to be read in conjunction with the attached Notes.



Financial Statements

2023-2024

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STATEMENT OF CASH FLOWS for the year ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating receipts		23,801	22,455
Investment receipts		62	46
Employee costs		(8,380)	(7,361)
Materials, contracts & other expenses		(13,141)	(12,397)
Finance payments		(481)	(304)
Net cash provided by operating activities	8	1,861	2,439
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of replaced assets	4	81	145
Expenditure on renewal/replacement of assets	6	(4,040)	(587)
Expenditure on new/upgraded assets	6	-	(2,484)
Net cash used in investing activities		(3,959)	(2,926)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		2,155	4,525
Repayments of Borrowings		(2,091)	(1,815)
Repayment of lease liabilities		(285)	(271)
Net cash provided by (used in) financing activities		(221)	2,439
Net Increase (Decrease) in cash held		(2,319)	1,952
Cash & cash equivalents at beginning of period	5	3,953	2,001
Cash & cash equivalents at end of period	5	1,634	3,953

This Statement is to be read in conjunction with the attached Notes.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1 Basis of Preparation

1.1 Compliance with Australian equivalents to International Financial Reporting Standards

This general purpose financial report has been prepared in accordance with Australian Accounting Standards as they apply to not-for-profit entities, other authoritative pronouncements of the Australian Accounting Standards Board, Interpretations and relevant South Australian legislation.

The financial report was authorised for issue by certificate under regulation 14 of the Local Government (Financial Management) Regulations 2011.

The Authority is a Local Government Authority Section 43 Regional Subsidiary under the control of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood, Payneham & St Peters, City of Prospect, The City of Unley and the Corporation of the Town of Walkerville.

The eight Member Councils have an equity share and the Board comprises a Director from each Council and an Independent Chair appointed by the absolute majority of the Member Councils.

1.2 Historical Cost Convention

Except where stated below, these financial statements have been prepared in accordance with the historical cost convention.

1.3 Critical Accounting Estimates

The preparation of financial statements in conformity with Australian Accounting Standards which requires the use of certain critical accounting estimates, and requires management to exercise its judgement in applying the Authority's accounting policies.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are specifically referred to in the relevant sections of this Note.

1.4 Rounding

All amounts in the financial statements have been rounded to the nearest thousand dollars (\$'000).

2 The Local Government Reporting Entity

Eastern Waste Management Authority Inc. operates as a regional subsidiary and is incorporated under the *SA Local Government Act 1999*. Its principal place of business is at 1 Temple Court Ottoway.

3 Income Recognition

The Authority recognises revenue under AASB 1058 Income of Not-for-Profit Entities (AASB 1058) or AASB 15 Revenue from Contracts with Customers (AASB 15) when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficient specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied.

Revenue is measured based on the consideration to which the Authority expects to be entitled in a contract with a customer. In other cases, AASB 1058 applies when a not-for-profit (NFP) entity enters



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

into a transaction where the consideration to acquire the asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives.

The excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately, except in the case where a financial asset that has been received to enable the Authority to acquire or construct a recognisable non-financial asset that is to be controlled by the Authority. In this case, the Authority recognises the excess as a liability that is recognised over time in profit and loss when (or as) the Authority satisfies its obligations under the transfer.

4 Cash, Cash Equivalents and other Financial Instruments

Cash Assets include all amounts readily convertible to cash on hand at the Authority's option with an insignificant risk of changes in value with a maturity of three months or less from the date of acquisition.

Receivables are generally unsecured and do not bear interest. All receivables are reviewed as at the reporting date and adequate allowance made for amounts the receipt of which is considered doubtful.

All financial instruments are recognised at fair value at the date of recognition. A detailed statement of the accounting policies applied to financial instruments forms part of Note 9.

5 Property, Plant & Equipment

5.1 Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition.

All non-current assets purchased or constructed are capitalised as the expenditure is incurred and depreciated as soon as the asset is held "ready for use".

5.2 Materiality

Assets with an economic life in excess of one year are only capitalised where the cost of acquisition exceeds materiality thresholds established by the Authority for each type of asset. In determining (and in annually reviewing) such thresholds, regard is had to the nature of the asset and its estimated service life.

5.3 Depreciation of Non-Current Assets

Property, plant and equipment assets are systematically depreciated over their useful lives in a manner which reflects the consumption of the service potential embodied in those assets.

Depreciation is recognised on a straight-line basis. Major depreciation periods for each class of asset are shown below. Depreciation periods for infrastructure assets have been estimated based on the best information available to the Authority, but appropriate records covering the entire life cycle of these assets are not available, and extreme care should be used in interpreting financial information based on these estimates.

Asset Class	Estimated Useful Lives	Capitalisation Threshold
Plant, Machinery & Equipment	3-10 Years	>\$1,000
Buildings & Other Structures	5-20 Years	>\$1,000
Right-of-use-assets	Over period of expected lease	n/a

Depreciation methods, useful lives and residual values of classes of assets are reviewed annually.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

5.4 Impairment

Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount (which is the higher of the present value of future cash outflows or value in use).

For assets whose future economic benefits are not dependent on the ability to generate cash flows, and where the future economic benefits would be replaced if the Authority were deprived thereof, the value in use is the depreciated replacement cost.

In assessing impairment for these assets, a rebuttable assumption is made that the current replacement cost exceeds the original cost of acquisition.

6 Payables

6.1 Goods & Services

Creditors are amounts due to external parties for the supply of goods and services and are recognised as liabilities when the goods and services are received. Creditors are normally paid 30 days after the month of invoice. No interest is payable on these amounts.

7 Employee Benefits

7.1 Salaries, Wages & Compensated Absences

Liabilities for employees' entitlements to salaries, wages and compensated absences expected to be paid or settled within 12 months of reporting date are accrued at nominal amounts (including payroll based oncosts) measured in accordance with AASB 119.

Liabilities for employee benefits not expected to be paid or settled within 12 months are measured as the present value of the estimated future cash outflows (including payroll based oncosts) to be made in respect of services provided by employees up to the reporting date. Present values are calculated using government guaranteed securities rates with similar maturity terms.

The Authority recognises a liability for employee benefits relating to rostered day off (RDO) entitlements in Note 7 given entitlements are paid-out on termination of employment. Experience indicates that RDO entitlements are generally taken given there is a cap applied to the level of RDO entitlements allowed to be accrued.

No accrual is made for sick leave as the Authority's experience indicates that, on average, sick leave taken in each reporting period is less than the entitlement accruing in that period, and this experience is expected to recur in future reporting periods. The Authority does not make payment for untaken sick leave.

7.2 Superannuation

The Authority makes employer superannuation contributions in respect of its employees to Hostplus (formerly Statewide Super and prior to that the Local Government Superannuation Scheme).

The Scheme has two types of membership, each of which is funded differently.



East Waste
is dedicated to
driving **behavioural
change** and
education in
South Australia.



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Permanent and contract employees of the South Australian Local Government sector with Salarylink benefits prior to 24 November 2009 have the option to contribute to the Accumulation section and/or Salarylink. All other employees (including casuals) have all contributions allocated to the Accumulation section.

Accumulation only Members

Accumulation only members receive both employer and employee contributions on a progressive basis. Employer contributions are based on a fixed percentage of ordinary time earnings in accordance with Superannuation Guarantee Legislation (11% in 2023/24; 10.5% in 2022/23). No further liability accrues to the Authority as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Salarylink (Defined Benefit Fund) Members

Salarylink is a defined benefit scheme where the benefit payable is based on a formula determined by the member's contribution rate, number of years and level of contribution and final average salary. The Authority makes employer contributions as determined by the Fund's Trustee based on advice for the appointed Actuary. The rate is currently 6.3% (6.3% in 2022/23) of 'superannuation' salary.

In addition, the Authority makes a separate contribution of 3% of ordinary time earnings for Salarylink members to their Accumulation account. Employees also make member contributions to the Salarylink section of the Fund. As such, assets accumulate in the Salarylink section of the Fund to meet the member's benefits, as defined in the Trust Deed, as they accrue.

The Salarylink section is a multi-employer sponsored plan. As the Salarylink section's assets and liabilities are pooled and are not allocated by each employer, and employees may transfer to another employer within the local government sector and retain membership of the Fund, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided by AASB 119.32(b), the Authority does not use defined benefit accounting for these contributions.

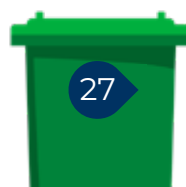
The most recent actuarial investigation was conducted by the Fund's actuary, Louise Campbell, FIAA, of Willis Towers Watson as at 30 June 2021. The Trustee has determined that the current funding arrangements are adequate for the expected Salarylink liabilities. However, future financial and economic circumstances may require changes to the Authority's contribution rates at some future time.

Contributions to Other Superannuation Schemes

The Authority also makes contributions to other superannuation schemes selected by employees under the 'choice of fund' legislation. All such schemes are of the accumulation type, where the superannuation benefits accruing to the employee are represented by their share of the new assets of the scheme, and no further liability attaches to the Authority.

8 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred and are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method.



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2023-2024

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Borrowings are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period to which it relates and is recorded as part of 'Payables'.

9 Comparative Information

Comparative information has been reclassified to be consistent with the current year disclosure of equivalent information in accordance with Australian Accounting Standards.

10 Critical Accounting Estimates and Judgements

The Board evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information.

Estimates assume a reasonable expectation of future events and based on current trends and economic data, obtained both externally and within the Authority.

11 New Accounting Standards

The Authority did not apply any new accounting standards during the financial year. There are no new accounting standards, interpretations or amendments which are expected to have a material impact on the accounting policies of the Authority for future periods.



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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 2 - INCOME

	Notes	2024 \$'000	2023 \$'000
USER CHARGES			
Waste Collection Income		16,713	15,607
Waste Processing Income		5,569	5,326
Administration		277	255
		22,559	21,188
INVESTMENT INCOME			
Interest on investments			
Local Government Finance Authority		66	46
		66	46
OTHER INCOME			
Bin Supply		657	382
Replacement Bins		786	681
Sundry		131	15
		1,574	1,078

NOTE 3 - EXPENSES

EMPLOYEE COSTS			
Salaries and Wages		6,488	5,615
Employee leave expense		106	114
Superannuation		616	508
Wages Casual Agency		1,061	1,017
Workers' Compensation Insurance		142	128
Other		79	94
Total Employee Costs		8,492	7,476
 <i>Number of FTE Employees as at reporting date</i>		 71	 63



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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 3 - EXPENSES (Cont.)

	Notes	2024 \$'000	2023 \$'000
MATERIALS, CONTRACTS & OTHER EXPENSES			
Auditor's Remuneration		13	11
Board Expenses		22	41
Waste Processing Costs		5,569	5,354
Electricity		17	10
Fuel, Gas & Oil		1,994	2,041
Legal Expenses		9	23
Maintenance		3,197	2,828
Parts, Accessories & Consumables		4	11
Printing, Stationery & Postage		46	33
Professional Services		677	552
Registration & Insurance - Trucks		472	462
Sundry		1,103	818
		13,123	12,184
FINANCE COSTS			
Interest on Loans		433	338
Interest on Leases		9	16
		442	354
DEPRECIATION & AMORTISATION			
Buildings & Other Structures	6	82	81
Plant, Machinery & Equipment	6	2,171	1,768
Right-of-use assets	6	259	259
		2,512	2,108



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2023-2024

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 4 - ASSET DISPOSALS

	2024	2023
Notes	\$'000	\$'000
Proceeds from disposal	81	145
Less: Carrying amount of assets sold	-	(2)
Gain (Loss) on disposal	81	143

NOTE 5 - CURRENT ASSETS

CASH & CASH EQUIVALENTS

Cash on Hand and at Bank	618	3,724
Deposits at Call	1,016	229
	1,634	3,953

TRADE & OTHER RECEIVABLES

Debtors - general	1,030	718
Accrued Income	7	28
Prepayments	45	
	1,082	746



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2023-2024

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 6 - PROPERTY, PLANT & EQUIPMENT

	Notes	2024 \$'000	2023 \$'000
Buildings & Other Structures - At Cost		617	617
Accumulated Depreciation		(294)	(212)
		323	405
Plant, Machinery & Equipment - At Cost		22,388	19,747
Accumulated Depreciation		(11,738)	(10,966)
		10,650	8,781
Right-of-use-assets		1,346	1,346
Accumulated Depreciation		(1,281)	(1,022)
		65	324
Total Property, Plant & Equipment		11,038	9,510

	2023 \$'000							2024 \$'000
	Carrying Value	Additions		Disposal - Cost	Disposal - Accumulated Depreciation	Depreciation	Adjustment	Carrying Value
		New/ Upgrade	Renewal					
Buildings & Other Structures	405	-	-	-	-	(82)	-	323
Plant, Machinery & Equipment	8,781	-	4,040	(1,400)	1,400	(2,171)	-	10,650
Right-of-use-asset	324	-	-	-	-	(259)	-	65
	9,510	-	4,040	(1,400)	1,400	(2,512)	-	11,038
2023 (\$'000)	8,542	2,484	587	(2,205)	2,203	(2,108)	7	9,510



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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 7 - LIABILITIES

	2024 \$'000		2023 \$'000	
	Current	Non-current	Current	Non-current
TRADE & OTHER PAYABLES				
Goods & Services	1,048	-	1,111	-
Payments received in advance	80	-	80	-
Accrued expenses - other	101	-	75	-
	1,299	-	1,266	-
BORROWINGS				
Loans	1,953	8,546	2,017	8,413
Lease Liabilities	76	-	289	77
	2,029	8,546	2,306	8,490
PROVISIONS				
Annual Leave	496	-	447	-
Rostered-Day-Off (RDO)	84	-	65	-
Long Service Leave	431	108	359	136
	1,011	108	871	136



East Waste's
education programs
empower the
local community
with **essential**
knowledge for
effective waste
management



Financial Statements

2023-2024

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 8 - CASH FLOW RECONCILIATION

	2024 \$'000	2023 \$'000
Total cash & equivalent assets	1,634	3,953
Balances per Cash Flow Statement	<u>1,634</u>	<u>3,953</u>
(a) Reconciliation of Change in Net Assets to Cash Flows from Operating Activities		
Net Surplus (Deficit)	(289)	333
Non-cash items in Statement of Comprehensive Income		
Depreciation	2,512	2,108
Net increase (decrease) in employee benefits	104	113
Net increase (decrease) accrued expenses	(26)	234
(Gain) / Loss on Disposal	(81)	(143)
Lease liability adjustment	(4)	7
	<u>2,216</u>	<u>2,652</u>
Add (Less): Changes in Net Current Assets		
Net (increase) decrease in receivables	(352)	189
Net increase (decrease) in trade & other payables	(15)	(404)
Net increase (decrease) in other provisions	12	2
	<u>1,861</u>	<u>2,439</u>
Net Cash provided by (or used in) operations		
	<u>1,861</u>	<u>2,439</u>
(b) Financing Arrangements		
Corporate Credit Cards	15	15
Cash Advance Debenture Facility - LGFA	1,000	1,000



NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 9 - FINANCIAL INSTRUMENTS

Recognised Financial Instruments

Bank, Deposits at Call, Short Term Deposits	<p>Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost.</p> <p>Terms & conditions: Deposits on Call do not have a maturity period and have an average interest rates of 4.3% (2023: 4.3%).</p> <p>Carrying amount: approximates fair value due to the short term to maturity.</p>
Receivables - Waste Collection Fees & Associated Charges	<p>Accounting Policy: Initially recognised at fair value and subsequently measured at amortised cost. An impairment provision is recognised using the expected credit loss method.</p> <p>Carrying amount: Approximates fair value (after deduction of any allowance).</p>
Liabilities - Creditors and Accruals	<p>Accounting Policy: Liabilities are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Authority.</p> <p>Terms & conditions: Liabilities are normally settled on 30 day terms.</p> <p>Carrying amount: Approximates fair value.</p>
Liabilities - Creditors and Accruals Interest bearing borrowings	<p>Accounting Policy: Initially recognised at fair value and subsequently at amortised cost. Interest is charged as an expense using the effective interest rate.</p> <p>Terms & conditions: Secured over future revenues and Member Councils, borrowings are repayable on fixed interest terms. Rates between 1.7% - 5.88% (2023: 1.7% - 5.65%).</p>
Liabilities - Leases	<p>Accounting Policy: Accounted for in accordance with AASB 16 as stated in Note 11.</p>

Net Fair Value

All carrying values approximate fair value for all recognised financial instruments. There is no recognised market for the financial assets of the Authority.

Risk Exposures

Credit Risk represents the loss that would be recognised if counterparties fail to perform as contracted. The maximum credit risk on financial assets of the Authority is the carrying amount, net of any provision for doubtful debts. All investments are made with the SA Local Government Finance Authority and Bank SA. There is no material exposure to any individual debtor.

Market Risk is the risk that fair values of financial assets will fluctuate as a result of changes in market prices. All of the Authority's financial assets are denominated in Australian dollars and are not traded on any market, and hence neither market risk nor currency risk apply.

Liquidity Risk is the risk that the Authority will encounter difficulty in meeting obligations with financial liabilities. In accordance with the model Treasury Policy (LGA Information Paper 15), liabilities have a range of maturity dates based on cash inflows. The Authority also has available a range of bank overdraft and short-term draw down facilities that it can access.

Financial Statements

2023-2024

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 9 - FINANCIAL INSTRUMENTS (Cont.)

Interest Rate Risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Most of the Authority's financial instruments are at fixed rates. Any such variations in future cash flows will not be material in effect on either the Authority's incomes or expenditures.

Liquidity Analysis

2024	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- Interest Bearing	Total
<i>Financial Assets</i>	\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Equivalents	1,634	-	-	-	1,634
Receivables	-	-	-	1,030	1,030
Total	1,634	-	-	1,030	2,664
<i>Financial Liabilities</i>					
Payables	-	-	-	1,048	1,048
Borrowings	2,089	6,766	1,644	-	10,499
Total	2,089	6,766	1,644	1,048	11,547

2023	≤ 1 year	Maturity > 1 year ≤ 5 years	> 5 years	Non- Interest Bearing	Total
<i>Financial Assets</i>	\$'000	\$'000	\$'000	\$'000	\$'000
Cash & Equivalents	3,953	-	-	-	3,953
Receivables	-	-	-	718	718
Total	3,953	-	-	718	4,671
<i>Financial Liabilities</i>					
Payables	-	-	-	1,111	1,111
Borrowings	2,017	6,998	1,781	-	10,796
Total	2,017	6,998	1,781	1,111	11,907



Financial Statements

2023-2024

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 10 - CAPITAL EXPENDITURE COMMITMENTS

The Authority has capital expenditure commitments totalling an estimated \$2.082 million as at reporting date.

NOTE 11 - LEASES

Authority as a lessee

Right-of-use-assets

The Authority leases its administrative and depot facilities at Ottoway.

	Buildings & Other Structures \$'000	Total \$'000
At 1 July 2023	324	324
Additions of right-of-use-assets	-	-
Depreciation Charge	(259)	(259)
Adjustments to right-of-use-assets	-	-
At 30 June 2024	65	65

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	\$'000
At 1 July 2023	365
Additions	-
Accretion of interest	9
Payments	(294)
Adjustments to lease liability	(4)
At 30 June 2024	76
Current	76
Non-Current	-

NOTE 12 - POST BALANCE DATE EVENTS

There were no events after reporting date that occurred that require to be reported.



Financial Statements

2023-2024

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS for the year ended 30 June 2024

NOTE 13 - RELATED PARTY TRANSACTIONS

The Key Management Personnel include the Chair of the Board, Chief Executive and other prescribed officers as defined under Section 112 of the *Local Government Act 1999*. In all, 5 persons were paid the following total compensation:

	2024 \$'000	2023 \$'000
Salaries, allowances & other short term benefits	649	599
TOTAL	649	599

Transactions with Related Parties:

The following transactions occurred with Related Parties:

Related Party Entity	Sale of Goods and Services (\$'000)	Amounts Outstanding from Related Parties (\$'000)	Description of Services Provided to Related Parties
Adelaide Hills Council	3,865	113	Provision of kerbside waste collection and hard waste collection services
City of Burnside	3,701	173	Provision of kerbside waste collection and hard waste collection services
City of Mitcham	3,556	224	Provision of kerbside waste collection and hard waste collection services
City of Norwood, Payneham & St Peters	3,325	78	Provision of kerbside waste collection and hard waste collection services
City of Prospect	1,719	91	Provision of kerbside waste collection and hard waste collection services
City of Unley	3,717	180	Provision of kerbside waste collection and hard waste collection services
Corporation of the City of Campbelltown	3,016	51	Provision of kerbside waste collection and hard waste collection services
Corporation of the Town of Walkerville	609	19	Provision of kerbside waste collection and hard waste collection services

The Related Parties disclosed above are equity owners of the Authority and are referred to as Member Councils. Member Councils have equal representation on the Board of the Authority and accordingly have significant influence on the financial and operating decisions of the Authority. No one Member Council individually has control of those policies.

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2023-2024

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CERTIFICATION OF AUDITOR INDEPENDENCE



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2023-2024

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INDEPENDENT AUDITOR'S REPORT



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2023-2024

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INDEPENDENT AUDITOR'S REPORT





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on delivering
**exceptional
service** to the
communities
we serve.

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EastWaste



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East Waste - Eastern Waste
Management Authority



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9.4 Prudential Review – Municipal Solid Waste Contract Project

Report Author General Manager

Attachments A: Municipal Solid Waste Processing/Disposal Contract Prudential Review
B: East Waste Prudential Review Policy

Purpose and Context

Recommendation

That the East Waste Board:

- 1. is satisfied, having reviewed the Municipal Solid Waste Processing/Disposal Contract Project Prudential Review, that it adequately documents the financial and other risks associated with the tender and contract process, as per requirements of the East Waste Prudential Review Policy;***
- 2. Support the Prudential Review being distributed to participating Member Councils to assist in their decision making associated with the Municipal Solid Waste Tender Evaluation.***
- 3. Separate to the Prudential Review undertaken, a report on options of a revised financial framework underpinning East Waste, is presented to the Board prior to 30 June 2025.***

Strategic Link

Objective 1. Deliver cost effective and efficient services and facilities

Strategy 1.2 Offer a single contract for the management of residual waste to all Member Councils.

Objective 5. Provide Leadership

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

Background

East Waste's primary purpose, as a regional subsidiary representing eight Councils, is to provide effective waste collection services for its Member Councils. However, with the exact nature of the services determined independently by each Council there exist opportunities for East Waste to facilitate opportunities that derive additional benefits to Members (whether individually or as a group). A primary benefit advocated by East Waste to Member Councils is the value derived through aggregation and economy of scale. East Waste for the past 10 years has managed aggregated contracts for organics and co-mingled recycling on behalf of Member Councils, however, for a variety of reasons has never been able to facilitate an aggregated municipal solid waste contract.

Despite this Administration has always recognised the potential and it is identified as a key strategy in the 2030 East Waste Strategic Plan and listed within the current 2024/25 Annual Plan is a key action for East Waste to *“investigate, and if feasible, pursue a East Waste-led red/blue bin processing contract.”*

An opportunity arose in early 2024 and Administration wrote to all Member Councils inviting them to participate in an aggregated Municipal Solid Waste Processing/Disposal market testing (tender) process. Three Councils responded with the commitment of their tonnes to Tender process: City of Norwood, Payneham & St Peters, City of Prospect & City of Unley.

Report

Section 48 of the *Local Government Act 1999* (the Act) defines the requirements under which a Prudential review are required. With the cost of the operating expenses associated with the contract expected to be approximately 8% of East Waste’s average annual operating expenses over the next five financial years, the project itself is well below the 20% threshold identified in Section 48. Additional guidance is provided within the East Waste Prudential Review Policy (refer Attachment A) and again while none of the key elements were triggered, Administration, however, were of the view, in consultation with representatives from the participating Councils, it would be worthwhile undertaking a Prudential Review, to provide the Member Councils additional confidence in their decision making process, particularly given this was the first Municipal Solid Waste Head Contract that East Waste was proposing to hold.

Dean Newbery Associates were subsequently engaged to undertake the development of the Prudential Review Report. Through the development Dean Newbery liaised closely with East Waste Administration in the development of the Risk Register, risk ratings and other technical aspects.

The report (refer Attachment B) has been prepared in accordance with the requirements set out in Section 48(2) of the Act and East Waste’s Prudential Review Policy (refer Attachment A) and for the East Waste Audit & Risk Management Committee and the East Waste Board to be able to consider all information prior to endorsing or otherwise a decision to undertake an open tender process.

Members will note Report 10.1, of this Agenda, contains the Evaluation Panel Report for the Municipal Solid Waste Tender to which this Prudential Review relates. Ideally the Prudential Review is presented to the Audit & Risk Management Committee and the Board, prior to release of the Tender itself, however various constraints prevented this in this instance. Administration sought legal advice on presenting a Prudential Review at the same meeting as the Tender Decision and were advised by Kelledy Jones (in part):

To meet organisational requirements, you seek to put the Prudential Reports for the Municipal Solid Waste (MSW) Processing/Disposal Tonnes and the Collection Vehicles Contract projects to the Audit & Risk Committee, and to the Board, at the same meeting the Tender Evaluations are considered by the Committee (and the Board).

At this stage, it is not clear if the Committee (or board) will have any queries / concerns to be addressed, based on matters set out in the Prudential Reports, that may require follow up and further consideration.

*Accordingly, **as long as** any tender documentation has made it explicitly clear (or, otherwise, you now write to the successful tenderer to confirm) the projects **will only be commenced** on final determination of the Committee (and the Board) as to the Prudential Reports, then we do not consider it could be said that awarding of the tender(s) is commencing the project.*

*That is, a 'condition precedent' will be the Committee's (and the Board's) consideration of the Prudential Reports and **final determination** on the projects, including as to final scope and works required.*

*Any contractual documentation provided to the successful tenderer **must also** make this explicitly clear, as well as provide for amendment to the scope of works for either project, subject to the outcomes of the consideration of the Prudential Reports.*

The nature of the Tender and contract is considered by Administration and the Tender Evaluation Panel to be relatively straight forward and uncomplicated. The Prudential review is presented for consideration Board and will be presented to the participating Councils in conjunction with the endorsed decision of the Board in relation to the Tender process (refer Confidential Item 10.1).

The Audit & Risk Management Committee reviewed the draft Financial Statements at the September 2024 meeting and resolved:

9.5 Prudential Review – Municipal Solid Waste Contract Project

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

- 1. is satisfied, having reviewed the Municipal Solid Waste Processing/Disposal Contract Project Prudential Review, that it adequately documents the financial and other risks associated with the tender and contract process, as per the requirements of East Waste's Prudential Review Policy;*
- 2. recommends the document to the East Waste Board to assist in their decision making process.*
- 3. Separate to the Prudential Review undertaken, a report on options of a revised financial framework underpinning East Waste, is presented to the Audit & Risk Committee prior to 30 June 2025.*

Seconded Mr F Bell

Carried

Resolution 3 from the Audit & Risk Management Committee stems from a discussion held at the Meeting in relation to the evolution and maturity of the Organisation and the ongoing appropriateness the long-standing financial framework that underpins East Waste. As a historical 'wheels and collections only' business, the Common Fleet Costing methodology employed to determine annual fees and charges to operate East Waste has worked very effectively. The employment in recent years of further data integrity has further strengthened this component. The ancillary services (arguably where the greatest strength of the subsidiary lies), such as management of second bin permits (just under 9,000 permits have been issued in the current financial year totalling \$0.956M in revenue/disbursement to the Member Councils), head contracts that East Waste hold (principally recycling and organics) however, do not see all Member Councils participating.

With the current financial framework not accurately capturing Administrative costs and (in this instance) the management of the contracts involving a component of Administrative time (tendering process, contract administrative management, reconciliation of tip dockets, invoicing) a potential inequity in cost attribution occurs amongst the members. That is, those Council being fully active and fully participatory in the subsidiary, are potentially being subsidised by those Members who aren't.

Further discussion specific to this contract will occur in confidence when the tender is discussed (refer Agenda item 10.1), however it is a far broader discussion than this tender/contract alone. Administration are supportive of a review of the financial framework to ensure an equitable and contemporary system, which reflects the growth and maturity that the organisation has seen over recent years, is implemented.



Eastern Waste Management Authority

Municipal Solid Waste Processing/Disposal Contract Project

Section 48 Local Government Act 1999

Prudential Report

September 2024

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1. Introduction

1.1 Scope of Engagement

- 1.1.1 This Prudential Report has been prepared by John Jovicevic, Director, Dean Newbery (**Reviewer**) for the Eastern Waste Management Authority (**East Waste**).
- 1.1.2 East Waste has engaged Dean Newbery to prepare a Prudential Report for the Municipal Solid Waste (**MSW**) Waste Processing/Disposal Contract Project (**Project**).
- 1.1.3 In preparing this Report, the prescribed criteria for the Prudential Review outlined in Section 48 of the *Local Government Act 1999* (**Act**) has been applied.
- 1.1.4 In addition to addressing all prescribed requirements, this Report summarises matters considered by the Reviewer to be outstanding for the purposes of East Waste's Board Members and Member Councils making a fully informed decision regarding the Project.
- 1.1.5 To prepare this Report, I have relied upon the information and materials provided to me by the East Waste's Administration.
- 1.1.6 No due diligence work as to the financial or technical standing of the information provided by the Administration for the purposes of preparing this Prudential Report has been undertaken by Dean Newbery.
- 1.1.7 This Prudential Review has been prepared solely for East Waste and does not factor any procurement and/or prudential compliance requirements for any individual East Waste Member Council wishing to participate in the Project.
- 1.1.8 A draft copy of this Report has been provided to the Administration for their review as well as to ensure the accuracy and completeness of information included in this Report.
- 1.1.9 Some information referenced within this Report has been sourced from materials which at the time of its production and/or publication, were considered as "Confidential" by East Waste. There is also reference to specific internal costs, commercial/market rates and pricing information which is commercially confidential to East Waste's operations.
- 1.1.10 **The Board, Member Councils and Administration need to consider whether any information contained in this Report should remain confidential.**

2. Project Outline

2.1 Project Overview

- 2.1.1 The Project is for East Waste to approach the open market through a Request for Tender (**RFT**) process for the processing and/or disposal of Municipal Solid Waste (**MSW**) volumes on behalf of those Member Councils wishing to participate.
- 2.1.2 Each Member Council currently manages their own respective MSW contracts.
- 2.1.3 East Waste currently provides kerbside collection services for MSW waste for all Member Councils, except for the City of Mitcham, and disposes of waste volumes at each respective Member Council's contracted MSW waste disposal operator.
- 2.1.4 In early 2024, East Waste was approached by a Member Council to consider a market approach for the processing and/or disposal of MSW waste volumes on behalf of all Member Councils.
- 2.1.5 In line with that approach and identifying this as an opportunity to meet a strategic service delivery opportunity, East Waste's Administration approached each Member Council to seek interest to join an aggregated market approach model.
- 2.1.6 As at the time of preparing this Report, there are 3 Member Councils who have expressed interested in joining the aggregated model option (**Participating Councils**), being the City of Norwood, Payneham & St Peters, City of Prospect and the City of Unley.
- 2.1.7 The estimated annual MSW volumes across the 3 Participating Councils is estimated to be between 18,000 – 20,000 tonnes p.a. The East Waste Administration, for the purposes of setting up this Project, have applied an estimated disposal fee of circa. \$200 p/tonne (EPA Solid Levy excluded) meaning that the annual MSW disposal fees is anticipated to be approximately \$4 million.
- 2.1.8 The objective of the RFT is to formally approach the open market, to identify and select a preferred tenderer(s) to enter into direct negotiation with East Waste to deliver on the waste processing and/or disposal services for MSW volumes.
- 2.1.9 East Waste is to enter into and manage the contract(s) on behalf of participating Member Councils for the duration of the contract.
- 2.1.10 In discussion with the Administration, it is anticipated the intended contract will not specify any minimum volumes to any preferred tenderer(s) – to enable East Waste to nominate multiple tenderers for the contract which best suit each respective Participating Council, based on factors which may impact on the overall cost of the service e.g. transport costs relative to geographical location. Additionally, no minimum tonnes requirements allows for changing waste volumes associated with altered collection regimes if implemented.
- 2.1.11 The RFT process has commenced with the closing date for responses being 21 August 2024.
- 2.1.12 East Waste has engaged Mr Geoffrey Webster from Waste And Management Services Pty Ltd to provide expert advice as an independent waste industry expert, to assist with the

development of the tender documents and technical advisor for the Tender Evaluation Panel.

- 2.1.13 East Waste has engaged Mr Paul Gasiorwski from O'Connor Marsden & Associates Pty Ltd (**OSM**) to provide independent probity oversight services for the RFT process.
- 2.1.14 The proposed initial contract term is 3 years with 2 x 3 year contract extension terms available at East Waste's absolute discretion.
- 2.1.15 If a non-participating Member Council wishes to join the contract at a later date, this will need to be addressed separately in accordance with the terms and conditions of the final contract agreed with the preferred tenderer(s).
- 2.1.16 The commencement date of the Project has an indicative start date of 1 January 2025 which aligns with the expiry of existing waste contracts held by each respective Participating Council.
- 2.1.17 A presentation and endorsement of the preferred tenderer(s) is expected at the September 2024 meetings of the Audit & Risk Management Committee and the Board.
- 2.1.18 Subject to successful endorsement of the preferred tenderer(s) at the September 2024 meetings, the following indicative timetable has been set for additional milestones which need to be achieved to meet a 1 January 2025 start date for the Project:

Project Milestone	Expected Completion
Present RFT Outcome and Proposal to Participating Councils	October 2024
Obtain contractual commitment from Participating Councils to commit MSW volumes to new contract(s)	October 2024
Formal notification and contract execution with preferred contractor(s)	November 2024
Establish operational and contract management arrangements with Participating Councils	November 2024
Service commencement	2 January 2025

- 2.1.19 The Project's arrangement is expected to operate in a similar manner as the existing Recyclables Material contract managed by East Waste on behalf of Member Councils whereby East Waste is invoiced monthly by contractor(s) for the disposal and/or processing fees which are then on-charged directly to the Participating Councils following a detailed reconciliation process.
- 2.1.20 No additional administration fee is to be charged and/or passed on as part of the services proposed to be provided by East Waste.

- 2.1.21 Any administration costs relating to the Project are intended to be recovered through the existing Common Fleet Costing model currently charged to all Member Councils.
- 2.1.22 The Project does not require any additional staff or external contractor resources to either administer or manage the Project.
- 2.1.23 Given the Administration has existing experience in providing similar services through the delivery of the joint Recyclables Materials contract, East Waste can be confident that the Administration has the necessary industry and operational experience to appropriately manage the Project.

2.2 Outstanding Project Matters identified by the Prudential Review

- 2.2.1 Should the Project proceed, incorporate the projected income and expenses relating to the Project within the FY25 budget at the next budget review conducted.
- 2.2.2 Contractual agreements which exclusively secure MSW volumes of Participating Councils to East Waste for the purposes of this Project will need to be prepared.
- 2.2.3 A sensitivity analysis and risk assessment over pricing models submitted by respondents should be incorporated within the Tender Evaluation Panel's scope of works, to ensure risks are appropriately mitigated for future contractual rise and fall provisions as well as any market uncertainties which may exist.
- 2.2.4 Services agreements for the provision of services to be provided by East Waste to the Participating Councils will need to be prepared.
- 2.2.5 In the event that additional administration resources are required to administer the Project, the Board will need to address whether these costs are to be absorbed through existing Common Fleet costing methodology by all Member Councils or recovered directly from Participating Councils.
- 2.2.6 East Waste's Audit & Risk Management Committee and Board have yet to review the Project Risk Register developed by the Administration.
- 2.2.7 Final development of contract documentation for the preferred contractor(s) remains outstanding. The contract should ensure that project risk matters relating to service standards and the guarantee of volumes/customers are appropriately addressed, to protect East Waste's financial and legal interests.
- 2.2.8 Consultation and approval to proceed with the Project from the Board and Member Councils has yet to be addressed.
- 2.2.9 Presentation and consideration of the outcomes of the RFT process has yet to be undertaken by the Audit & Risk Management Committee, Board and/or Member Councils.
- 2.2.10 **In discussions with East Waste's Administration, it is expected that all of the above outstanding matters will be addressed should the Board and Member Councils proceed with the Project.**

3. Key Project Risks

3.1 Summary of Key Project Risks identified by the Prudential Review

- 3.1.1 East Waste has limited staff resources. Should existing experienced staff not be available for an extended period of time and/or move employment, this would result in a need to find suitably qualified staff to replace the resource gap. Alternatively, East Waste may need to consider engaging external contractors should permanent replacement staff not be able to be secured in a timely manner.
- 3.1.2 Insolvency event for a contractor(s) results in MSW processing services ceasing and an alternative supplier needing to be urgently found to ensure continuity of service.
- 3.1.3 Agreement between Participating Councils cannot be reached which results in Project not being able to proceed as planned.
- 3.1.4 East Waste incorrectly calculates the estimated travel time and cost of delivery of MSW volumes to contractor(s) processing facilities which results in higher than forecasted holistic waste management costs for Participating Councils.
- 3.1.5 East Waste is not able to meet service agreement performance obligations set by Participating Councils.
- 3.1.6 Contracts entered into with contractor(s) do not protect the financial and/or legal interest of East Waste with respect to clearly defined guarantees around waste volumes and/or service standards.
- 3.1.7 A Participating Council wishes to exit the Project prior to its expiry which results in adverse financial and/or legal ramifications to East Waste and its Member Councils.

4. Section 48(2)(a) - the relationship between the project and relevant strategic management plans

4.1 Project Alignment – Strategic Plan 2020 -2030 (Strategic Plan)

4.1.1 The Project is aligned with Objective 1 of the Strategic Plan which includes a key strategy being to “attract additional services and/or new councils where further economies of-scale can be achieved”.

4.1.2 An extract from the Strategic Plan highlights this as being a noted strategy that compliments the Project:



Reference: East Waste Strategic Plan, <https://www.eastwaste.com.au/news-publications/strategic-plan-2020/>

Deliver cost-effective, efficient and continuously improved services

East Waste will become a highly regarded employer of choice and recognised as a thought leader within the waste industry, providing exemplary service to our Member Councils.

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

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

Reference: East Waste Strategic Plan, pg.22

- 4.1.3 The Project therefore has a direct relationship with Strategy 1.1 noted above.
- 4.1.4 The procurement process has been undertaken with the involvement of a waste industry expert as a technical advisor to the Tender Evaluation Panel as well as an independent probity advisor.

5. Section 48(2)(b) - the objectives of the Development Plan in the area where the project is to occur

5.1 Development Approval

- 5.1.1 Given the nature of the Project, this matter is not applicable to the Project and has not been considered further for the purposes of this Report.

6. Section 48(3)(c) - the expected contribution of the project to the economic development of the local area, the impact that the project may have on businesses carried on in proximity and, if appropriate, how the project should be established in a way that ensures fair competition in the market place

6.1 Contribution of the Project to Economic Development

- 6.1.1 Given the nature of the Project, this matter is not applicable to the Project and has not been considered further for the purposes of this Report.
- 6.1.2 It is recognized that alternative waste technologies, which may lead to the development of new industries and positively impact the local economy, have potential economic benefits. For the purposes of this Project, a 15% weighting has been factored into the tender evaluation criteria for respondents to provide more detail around environmental, social and governance matters (ESG).
- 6.1.3 The Tender Evaluation Panel will be considering these factors as part of their evaluation of responses received and will need to be included in the recommendations presented to the Board and Participating Councils. No further information has been provided on this matter for the purposes of preparing a Prudential Report for the Project.

7. Section 48(2)(d) - the level of consultation with the local community, including contact with persons who may be affected by the project and the representations that have been made by them, and the means by which the community can influence or contribute to the project or its outcomes

7.1 Community Consultation

7.1.1 Given the nature of the Project, this matter is not applicable to the Project and has not been considered further for the purposes of this Report.

7.2 Consultation – Member Councils

7.2.1 As noted within the Report, consultation with the Member Councils over the outcome of the RFT process has not been completed and remains as an outstanding matter to be addressed.

7.2.2 No final agreement has been reached with Participating Councils as to whether to proceed with the Project as at the time of preparing this Report.

7.2.3 Contractual agreements which exclusively secure MSW volumes from Participating Councils has yet to be executed and remains an outstanding matter to be undertaken should the Project proceed.

7.2.4 In discussions with the Administration, we note that the above matters are expected to be addressed.

8. Section 48(2)(e) - if the project is intended to produce revenue, revenue projections and potential financial risks

8.1 Revenue Projections from the Project

8.1.1 The Project is not proposed to generate income for East Waste, given it is an at cost service model. Revenue generated from the Project is for the purposes of recovering MSW waste disposal and/or processing costs which have been paid on behalf of Participating Councils by East Waste.

8.2 Potential Financial Risks

8.2.1 A Project Risk Register has been developed for the Project by the Administration which does not identify any High residual risks for the Project.

8.2.2 The service is to be provided at no additional administration fee to Participating Councils or cost to other Member Councils. Should any additional Member Councils wish to join at a later stage or the required level of resources to manage the contract is greater than expected, this may put adverse financial pressure on East Waste due to additional resources required to be sourced.

- 8.2.3 Moving forward, financial risks associated with future rise and fall provisions need to be carefully considered and reflected within the eventual agreements held with contractor(s) so as to protect East Waste and Participating Council's financial interests.
- 8.2.4 East Waste has engaged an independent waste industry expert and probity advisor to assist with the evaluation of RFT responses which should incorporate a comprehensive sensitivity analysis and risk assessment over pricing models submitted by respondents for the Board and Participating Councils to consider.

9. Section 48(2)(f) - the recurrent and whole-of-life costs associated with the project including and costs arising out of proposed financial arrangements

9.1 Financial Overview

- 9.1.1 The financial overview of the Project has not been conducted given it is expected to have nil impact on the financial performance and/or position of East Waste over the term of the contract.
- 9.1.2 East Waste's Administration anticipate no additional resources are required to administer the Project and therefore, no additional costs are to be borne by East Waste or its Member Councils.
- 9.1.3 East Waste's Administration's has assessed that it has sufficient capacity within its existing staffing resources to absorb the additional work required to administer the Project and therefore, no additional costs will be passed onto the Member Councils through the existing Common Fleet Costing charges by the individual councils.
- 9.1.4 In considering whether to proceed with the Project, an evaluation of the RFT responses and financial analysis of the financial impact to each Participating Council's financial operations should be completed.
- 9.1.5 As part of the evaluation, a sensitivity analysis should be included to ensure Project risks are appropriately considered and factored into the development of contractual agreements.

10. Section 48(2)(g) - the financial viability of the project, and the short and longer term estimated net effect of the project on the financial position of East Waste

10.1 Financial Viability of the Project

- 10.1.1 The Project is not expected to impact have an on the financial performance and/or position of East Waste and therefore has not been considered further for the purposes of this Report.
- 10.1.2 As noted previously, no additional administrative costs are expected to be borne by East Waste relating to the delivery of the Project.
- 10.1.3 The Board and Member Councils need to be aware of the risks identified within this Report which should be continually monitored and reported back to the Board and the Audit & Risk Management Committee so that any adverse events that impact on the financial performance and/or position of East Waste or its Member Councils (should it occur) can be identified and addressed in a timely manner.

11. Section 48(2)(h) - any risks associated with the project, and the steps that can be taken to manage, reduce or eliminate those risks

11.1 Risk Management

- 11.1.1 This Report has highlighted a number of identified risks in relation to the specific matters to be considered under the scope of the Prudential Review.
- 11.1.2 In preparing this Report, the Reviewer has not prepared a risk register or risk management plan for the purposes of the Project being considered – that work is considered outside the scope of the Prudential Review.
- 11.1.3 A Project Risk Register has been prepared by the Administration and included as an attachment to this Report. The Project Risk Register assessed that there were no High risks associated with the Project.
- 11.1.4 As part of the RFT evaluation process, a detailed risk assessment of each respondent's proposal should be included in the evaluation process and updates to the Project Risk Register made to ensure that any risks which have not been identified and/or require modification (due to new information made available) is undertaken.
- 11.1.5 The Project Risk Register has not been presented to the Audit & Risk Management Committee or East Waste Board. This is an outstanding matter to be addressed.

11.2 Risk Mitigation Measures

- 11.2.1 The Board and Administration should consider the outstanding matters noted within this Report that have been identified as needing to be considered for the Project prior deciding whether to proceed.

12. Section 48(2)(i) - the most appropriate mechanism or arrangements for carrying out the project**12.1 Project Phases**

- 12.1.1 An RFT process has commenced with the outcome of the Tender Evaluation Panel assessment to be presented to the Audit & Risk Management Committee and Board in September 2024 for their consideration and deliberation.
- 12.1.2 Subject to the outcome of the Board's decision, Participating Councils will be consulted, and engagement activities undertaken to commence delivery of the Project.
- 12.1.3 The Project will be delivered in accordance with East Waste's Charter, adopted policies and procedures.
- 12.1.4 It is not expected that any additional resources will be required by the Administration to deliver the Project on behalf of the Participating Councils.

13. Section 48(2)(j) - if the project involves the sale or disposition of land, the valuation of the land by a qualified valuer under the *Land Valuers Act 1994***13.1 Disposal of Properties**

- 13.1.1 The Project proposes no disposal of land.
- 13.1.2 No further consideration of this section is required.

14. Conclusion

- 14.1.1 This Prudential Report has been prepared in accordance with the information provided by East Waste's Administration and has considered the prescribed scope of matters per Section 48 of the *Local Government Act 1999*.
- 14.1.2 This Prudential Report should be read in conjunction with the related report being prepared by the Administration and the Tender Evaluation Panel's findings and recommendations as a result of the RFT process conducted.
- 14.1.3 A draft copy of this Report has been reviewed by the Administration to verify the accuracy of all contents, as well as to ensure the accuracy and completeness of the information included and to ensure no information has been omitted.
- 14.1.4 This Report has highlighted areas where it is considered further information is required or clarified on the Project for the Board to consider before committing to the Project.
- 14.1.5 No analysis has been included in the scope of works conducted to determine whether this Project is the optimum financial investment or best use of available resources for East Waste or its Member Councils.
- 14.1.6 **The Board should now consider the findings and recommendation within this Report along with other key documents relating to the Project as highlighted within this Report.**

15. Attachment One – Project Risk Register

Number	Risk Description	Risk Category	Consequences	Existing Internal Controls	Likelihood	Consequence	Inherent Risk	Additional Controls	Likelihood (after additional controls applied)	Consequence	Forecasted Risk
1	Negotiated price with supplier is higher than predicted which has a negative impact on participating Councils and/or withdrawal of councils from the process	Contractual/Legal	<ul style="list-style-type: none"> Reputational loss to East Waste Financial Impact to Member Councils. 	<ul style="list-style-type: none"> Procurement Policy & Process 	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> Councils to agree to Price before east Waste commits to contract. Market well understood and stable, relatively straight forward contract. Councils in existing contracts. 	Unlikely	Minor	Low
2	Participating Council(s) exit East Waste during the term of the contract.	Contractual/Legal	<ul style="list-style-type: none"> Reputational loss to East Waste Potential for undermining of contract 	<ul style="list-style-type: none"> Charter Letter of Commitment for Tonnes 	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> Contractual Commitment of Council tonnes for life of contract, irrespective of EW Membership. Build additional Member Council services to strengthen membership benefit rather than eroding. 	Unlikely	Minor	Low
3	Alternate supplier provides a cheaper option which results in council desire to exit the agreement.	Contractual/Legal	<ul style="list-style-type: none"> Reputational loss to East Waste Financial Impact to Member Councils Fracturing of Membership 	<ul style="list-style-type: none"> Contract term developed to match known decision points and/or market movements. Existing market well understood 	Possible	Moderate	High	<ul style="list-style-type: none"> Landfill price rarely declines, unless new technology. Detailed assessment process to identify any alternate Contractual Commitment of Councils tonnes for life of contract 	Unlikely	Minor	Low
4	Supplier becomes insolvent during the term of the agreement and can no longer provide services.	Contractual/Legal	<ul style="list-style-type: none"> Reputational loss to East Waste Inability to have material disposed/processed Market players reduced resulting in increased costs 	<ul style="list-style-type: none"> Tender documents seek historical financial information to assist in determine solvency Tender documents seeks Business Continuity options 	Possible	Major	Extreme	<ul style="list-style-type: none"> Seek to contract with known and reputable Organisations. Generate relationships with alternate suppliers to facilitate alternate disposal site(s) if required 	Unlikely	Moderate	Medium
5	Supplier is unable to process volumes due to unforeseen circumstances (e.g. landfill fire, closure of site, etc.).	Contractual/Legal	<ul style="list-style-type: none"> Reputational loss to East Waste Inability to have material disposed/processed Market players reduced resulting in increased costs 	<ul style="list-style-type: none"> Tender documents seek historical financial information to assist in determining solvency Tender documents seeks Business Continuity options 	Possible	Major	Extreme	<ul style="list-style-type: none"> Seek to contract with known and reputable Organisations. Generate relationships with alternate suppliers to facilitate alternate disposal site(s) if required. 	Unlikely	Moderate	Medium

Number	Risk Description	Risk Category	Consequences	Existing Internal Controls	Likelihood	Consequence	Inherent Risk	Additional Controls	Likelihood (after additional controls applied)	Consequence	Forecasted Risk
6	Poor management of contract by EW results in adverse financial losses to Member Councils (e.g. reconciliation of volumes, handling of materials/transport of materials, etc.).	Contractual/Legal	<ul style="list-style-type: none"> Reputational loss to East Waste Financial Impact to Member Councils Fracturing of Membership 	<ul style="list-style-type: none"> Good Contract management system in place Strong and proven reconciliation process in place 	Possible	Major	Extreme	<ul style="list-style-type: none"> Dedicated Contract Manager with identified support if required. Additional staff versed in contract requirements as management contingency Operational staff trained in disposal requirements. 	Unlikely	Minor	Low
7	Performance obligations are not outlined within a Service Agreement which results in frustration from Member Councils as service levels are not clearly defined.	Contractual/Legal	<ul style="list-style-type: none"> Reputational loss to East Waste Uncertainty and lack of transparency 	<ul style="list-style-type: none"> Clear requirements outlined in correspondence by EW when offering service to MCs. Historical experience managing contracts well on behalf of MCs 	Possible	Moderate	High	<ul style="list-style-type: none"> SLAs being developed_ Base contract requirements to be included SLAs to be reviewed each year to allow for updating/changes 	Rare	Minor	Low
8	No Tenders are received for the proposed services	Contractual/Legal	<ul style="list-style-type: none"> Inability to hold contract Approval timeframes too tight for Councils to undertake alternate process Council processing exposed 	<ul style="list-style-type: none"> Historical Competitive market No new tonnes in the market so capacity availability Small contract tonnes 	Possible	Major	High	<ul style="list-style-type: none"> Contractors advised upcoming contract via Councils Sufficient lead time in tender to submit response Response documents simplified 	Unlikely	Moderate	Medium
9	Inability for Other member Councils to join contract	Contractual/Legal	<ul style="list-style-type: none"> Inequity amongst Councils Inability to leverage/deliver full value of Eat Waste membership 	<ul style="list-style-type: none"> Provisions in tender Acceding Councils (member & non-member) provided for 	Possible	Moderate	High	<ul style="list-style-type: none"> Councils encouraged to keep EW informed of contract status Short contract terms allow for periodic adjustments 	Unlikely	Minor	Low
10	Agreement with Member Councils cannot be reached.	Political	<ul style="list-style-type: none"> Inability to hold Contract Values misalignment Council processing exposed 	<ul style="list-style-type: none"> Councils wanting EW to take lead Straightforward processing contract 	Possible	Major	High	<ul style="list-style-type: none"> Councils freely participated in contract Meetings held to ensure alignment EW experienced in holding aggregated contracts Learnt from past experience in managing Councils. 	Unlikely	Minor	Low

Number	Risk Description	Risk Category	Consequences	Existing Internal Controls	Likelihood	Consequence	Inherent Risk	Additional Controls	Likelihood (after additional controls applied)	Consequence	Forecasted Risk
11	Negative performance/media coverage from supplier results in member council desire to exit agreement.	Political	<ul style="list-style-type: none"> Reputational loss to East Waste Contractual issues Resource constraints Fracturing of Membership 	<ul style="list-style-type: none"> Council commitment to process Experienced media processes to manage 	Possible	Major	High	<ul style="list-style-type: none"> Clear understanding of processes Tender docs to highlight if any potential issues/cause for concern 	Unlikely	Minor	Low
12	Communication between EW and Member Councils is insufficient which impacts Member Council decision making	Political	<ul style="list-style-type: none"> Reputational loss to East Waste Uncertainty and lack of transparency Inability to develop Contract One Council may hold up other Councils 	<ul style="list-style-type: none"> Clear requirements outlined in correspondence by EW when offering service to MCs. Historical experience managing contracts well on behalf of MCs 	Possible	Moderate	Medium	<ul style="list-style-type: none"> Contract subcommittee involving all Councils established All participating Councils invited to be on assessment panel EW Procurement Process followed Regular communications disseminated. Council reps offered opportunity to review key documents 	Rare	Minor	Low
13	Process used to dispose/process by Contractor results in environmental harm	Environmental	<ul style="list-style-type: none"> Reputational loss to East Waste Unwarranted media attention Straightforward processing contract 	<ul style="list-style-type: none"> Tender documents stipulate processing requirements responsibility of Processors Key players understood Tender documents require demonstration of EPA approval 	Possible	Major	High	<ul style="list-style-type: none"> Contract management and oversight Request for regular reporting Regular engagement & liaison with EPA 	Possible	Moderate	Medium
14	New technology/process does not work	Environmental	<ul style="list-style-type: none"> Reputational loss to East Waste Unwarranted media attention Processing issues Resource constraints in managing 	<ul style="list-style-type: none"> Tender documents stipulate processing requirements responsibility of Processors Key players understood Tender documents require demonstration of EPA approval 	Possible	Major	High	<ul style="list-style-type: none"> Assurances to be sought in contract documents if new technology supported Fallback/safety net incorporated 	Unlikely	Minor	Low

Number	Risk Description	Risk Category	Consequences	Existing Internal Controls	Likelihood	Consequence	Inherent Risk	Additional Controls	Likelihood (after additional controls applied)	Consequence	Forecasted Risk
15	New technology/process not approved by the EPA	Environmental	<ul style="list-style-type: none"> Reputational loss to East Waste Unwarranted media attention No contract/receival location for Councils to take material 	<ul style="list-style-type: none"> Tender documents stipulate processing requirements responsibility of Processors Tender documents require demonstration of EPA approval Likely processing technologies understood 	Possible	Major	High	<ul style="list-style-type: none"> Assurances to be sought in contract documents if new technology supported Fallback/safety net incorporated 	Unlikely	Minor	Low
16	Additional travel time/distance have adverse environmental impacts.	Environmental	<ul style="list-style-type: none"> Increased costs and carbon emissions for Councils 	<ul style="list-style-type: none"> Disposal centroids clearly articulated in Tender documentation 	Possible	Major	High	<ul style="list-style-type: none"> Detailed Tender Assessment Advised to EW Board and impacted Member Councils prior to decision 	Unlikely	Minor	Low
17	Future increases in processing costs are higher than forecast by Member Councils which results in desire to withdraw from agreement.	Financial	<ul style="list-style-type: none"> Reputational loss to East Waste Financial Impact to Member Councils. 	<ul style="list-style-type: none"> Procurement Policy & Process 	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> Councils to agree to Price before East Waste commits to contract Market well understood and stable, relatively straight forward contract Annual increases clearly detailed in agreement Councils in existing contracts 	Unlikely	Minor	Low
18	EW underestimate the cost of transport which results in higher costs to Member Councils than forecast.	Financial	<ul style="list-style-type: none"> Increased costs and carbon emissions for Councils. 	<ul style="list-style-type: none"> Disposal centroids clearly articulated in Tender documentation 	Possible	Moderate	Medium	<ul style="list-style-type: none"> Detailed Tender Assessment Advised to EW Board and impacted Member Councils prior to decision 	Unlikely	Insignificant	Low
19	Member Council defaults on payment which results in reimbursement of processing costs not being recovered in a timely manner.	Financial	<ul style="list-style-type: none"> Financial stress for East Waste Membership strain between EW and Member Council 	<ul style="list-style-type: none"> Charter requirements Payment Terms Cash reserves held by East Waste Existing contracts 	Possible	Moderate	Medium	<ul style="list-style-type: none"> SLAs being developed Base contract requirements to be included SLAs to be reviewed each year to allow for updating/changes 	Unlikely	Minor	Low

Number	Risk Description	Risk Category	Consequences	Existing Internal Controls	Likelihood	Consequence	Inherent Risk	Additional Controls	Likelihood (after additional controls applied)	Consequence	Forecasted Risk
20	Additional administration resources are required to manage the contract (including future renewals) which results in adverse impact to EW available resources and operating costs	Financial	<ul style="list-style-type: none"> Reputational loss to East Waste-Contractual issues leading to further issues Resource constraints in other business activities Fracturing of Membership 	<ul style="list-style-type: none"> Existing systems and processes allow contract to be easily incorporated Assessment of requirements well understood by East Waste 	Possible	Major	High	<ul style="list-style-type: none"> Annual budget process allows transparent forecasting and adjustment of labour budgets Number of staff trained in process to assist with resource impacts. 	Possible	Minor	Medium
21	Contract with only subset of Member Councils generates an inequity of service provision	Financial/Political	<ul style="list-style-type: none"> Fracturing of Membership Membership/financial model challenged 	<ul style="list-style-type: none"> All Councils invited to participate Model developed on an all-in approach Different Councils utilise different services (no one Council utilises everything EW offers), creating a broad balance 	Possible	Major	High	<ul style="list-style-type: none"> Annual budget process allows transparent forecasting and adjustments Transparent reporting and processes provided to EW Board and member Councils 	Possible	Moderate	Medium
22	Evaluation Panel cannot come to an agreement through the Evaluation process.	Contractual/Legal	<ul style="list-style-type: none"> Fracturing of Membership Delay in decision making Unified approach not reached Process undermined 	<ul style="list-style-type: none"> Establishment of Tender Probity & Evaluation Plan Detailed and tight Evaluation framework Detailed planning & Education of Council Administration prior to commencing Tender process to assist in alignment of goals and understanding of the market 	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> Inclusive approach of all Evaluation Panel Members throughout process Final decision-making rests with East Waste Board 	Unlikely	Minor	Low

PRUDENTIAL REVIEW POLICY**EastWaste**

Type	Policy
Category	Governance
Policy Number	016
First Issued/Adopted	May 2022
Minutes Reference	
Review Period	36 months
Last Reviewed	N/A
Next Review	May 2025
Applicable Legislation	<ul style="list-style-type: none"> • <i>Local Government Act 1999</i>
Related Documents	<ul style="list-style-type: none"> • Procurement Policy
Consultation Undertaken	<ul style="list-style-type: none"> • Audit & Risk Committee
Responsible Officer	Manager Business Services

SIGNED:



General Manager

Date: 5/05/2022



Chairperson

Date: 5/05/2022

Purpose

- 1.1 Section 48 (aa1) of the *Local Government Act 1999* prescribes that:

A Council must develop and maintain prudential policies practices and procedures for the assessment of projects to ensure that the Council:

- a) Acts with due care, diligence and foresight; and*
- b) Identifies and manages risks associated with a project; and*
- c) Makes informed decisions; and*
- d) Is accountable for the use of Council and other public resources.*

**The provisions of this section extend to subsidiaries as if a subsidiary were a council subject to any modifications, exclusions or additions prescribed by the regulations.*

- 1.2 This policy seeks to enhance East Waste's existing policies and procedures governing East Waste's strategic management processes.

Scope

- 2.1 This policy covers the prudential review requirements when consideration is being given to a project that falls within the requirements of Section 48 (1) of the *Local Government Act 1999*. These requirements are:

- *where the expected operating expenses calculated on an accrual basis of the council over the ensuing five years is likely to exceed 20 per cent of the council's average annual operating expenses over the previous five financial years (as shown in the council's financial statements); or*
- *Where the expected capital cost of the project over the ensuing five years is likely to exceed \$4,000,000 (indexed) [\$5,104,478 as of January 2022]; or*
- *where the council considers that it is necessary or appropriate.*

Policy Statement

- 3.1 Projects falling within the scope of this policy require a Prudential Report and the following criteria will be applied.

3.2 **Prudential Report Author**

The General Manager will make a determination on the most appropriate person to undertake the prudential review in accordance with this policy. This may be a suitably qualified independent author or suitable experienced author from East Waste or a member Council. Selection will be made in alignment with East Waste's Procurement Policy.

3.3 **Consideration of the Prudential Report**

The engaged author will prepare a Prudential Report in accordance with this policy and the legislation for consideration of the Board prior to the commencement of the project.

The preparation of a prudential report should be commenced as soon as practical following East Waste's decision to investigate a project that meets the criteria of section 2.1 above. While a prudential report is not required to be received until East Waste makes an irreversible decision, the commencement of the prudential process should commence as soon as possible in order to identify potential project risks in the decision-making process.

3.4 **Public Access to the Prudential Report**

The Prudential Review Report will form part of the East Waste's Agenda papers and will be a public document unless it been determined otherwise by the Board in accordance with Section 90 of *the Local Government Act 1999*.

A copy of the report will be made available for public viewing during the implementation and delivery of the project.

Confidentiality

- 4.1 East Waste will maintain the confidentiality of information, so far as possible, provided by suppliers in any procurement process both during the process and for the period after until documents are destroyed in accordance with statutory requirements.

Records

- 5.1 East Waste will ensure an appropriate written audit trail of the procurement process, including supporting documentation rationale for procurement activity, decisions throughout the entire life of the procurement.

Complaints

- 6.1 Any complaint about the way in which a procurement process was undertaken will be dealt with in accordance with East Waste's Complaint Handling Policy.

9.5 Appointment of Independent Members to the Audit and Risk Management Committee

Report Author Executive Administration Officer

Attachments A: Audit & Risk Management Committee Terms of Reference

Purpose and Context

For the East Waste Board to consider the appointment of members to the Audit & Risk Management Committee (Committee) due to the pending expiration of the terms of three current Committee Members.

Recommendation

That the East Waste Board:

- 1. authorise the General Manager, or their delegate, to commence an expression of interest process for the appointment of an Independent Chairperson to the Audit and Risk Management Committee.***
- 2. appoints Ms Linda Green as an Independent Member to the Audit and Risk Management Committee for a second term two-year term, commencing on 1 February 2025.***
- 3. Appoints Mr Paul Di Iulio as a Board representative to the Audit and Risk Management Committee for a two-year term, commencing on 1 February 2025.***

Strategic Link

Objective 5. Provide Leadership

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

Background

The terms of three of the current members of the Audit & Risk Management Committee are due to expire in the near future (Mrs Emma Hinchey, Independent Chairperson, on 1 December 2024, Ms Linda Green, Independent Member, on 1 February 2025 and Mr Paul Di Iulio, Board Representative, on 25 February 2025).

Section 4 of the Audit & Risk Management Committee Terms of Reference (refer Attachment A) outlines the Membership of the Committee as follows:

4. Membership

- 4.1 Members of the Committee shall be appointed by the Board of East Waste.***
- 4.2 The Committee shall consist of five (5) members, two (2) of whom shall be members of the Board and three (3) members who are not a member of the board (independent members).***

- 4.3 *One (1) independent member of the Committee must have financial experience relevant to the functions of the Committee as determined by the Board.*
- 4.4 *One (1) independent member of the Committee must have experience in the field of legal practitioner and / or risk management and/or governance as determined by the Board.*
- 4.5 *Expressions of Interest for the Independent Members shall be sought by the Board and be for a maximum term of two (2) years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to the Board's Elected Members, hence their terms will expire in alternate years.*
- 4.6 *Independent Members are eligible for reappointment at the expiration of their term of office at the sole discretion of the Board. An independent Member may be appointed for a maximum of three (3) consecutive terms. An Independent Member who has served three (3) consecutive terms is eligible to reapply two (2) years after the expiry of their three (3) terms unless, appointed by the board following an expression of interest.*
- 4.7 *Board Members are appointed to the Committee for two (2) years.*

The terms of the members of the Committee are structured to ensure that the expiration of terms falls at different times to enable continuity of membership.

The continuing Members of the Committee are Mr Fraser Bell, Independent Chairperson (Board Representative), and Ms Sandra Di Blasio an Independent Member whose third-term will expire on 28 February 2026. A report dealing with Mr Bell's reappointment to the Committee will be presented at the November Board meeting.

Discussion

Appointment of Independent Chairperson

Mrs Emma Hinchey's terms as Independent Chair of the Committee expires in December 2024. Mrs Hinchey has served two terms on the Audit and Risk Management Committee, being appointed as Independent Chair of the Committee in February 2022. At the Board Meeting of 3 November 2022 Mrs Hinchey was reappointed as an Independent Member for a second two-year and continued as Independent Chair of the Committee.

The Board has two options available to the regarding the position of Independent Chairperson:

1. Re-appoint Mrs Hinchey for a further and final term of three years
2. Undertake an expression of interest process to fill the position.

The General Manager wrote to Mrs Hinchey on 20 August 2024 seeking her views on reappointment to the Committee. At the time of drafting this report, a definitive response has not been received.

Given the Board has not yet undertaken a public Expression of Interest call for the Independent Chair of the Audit & Risk Committee since amending the Terms of Reference, It is proposed to undertake an expression of interest process for the position of Independent Chairperson as follows:

- An expression of interest (EOI) be sent to Member Councils for distribution on their websites and social media outlets, copy to be placed on our website and Linked In page.
- Advertising through Australian Institute of Company Directors (AICD)
- EOIs to be reviewed and shortlisted at a special meeting of the Audit and Risk Management to be held late October 2024.
- Recommended candidate to be presented for consideration of the East Waste Board at the November 2024 meeting.
- Independent Chair of Committee to meet with Independent Chair of the Board informally January 2025 with the view of commencing in the role in February 2025.

Reappointment of Ms Linda Green as an Independent Member to the Audit and Risk Management Committee

Ms Green has a long history of service to East Waste. Firstly, serving as Adelaide Hills Council's (AHC) representative to the East Waste Board during her tenure as an Elected member at AHC. On 29 April 2021, the East Waste Board appointed Ms Green as Independent Member of the East Waste Audit and Risk Management Committee for a two-year term, commencing in February 2023.

As Ms Green's term expires early next year it is considered prudent to consider the appointment of an Independent Member to the Committee at this time. On the assumption the Board undertakes a public EOI for the appointment of the Independent Chair, it is recommended to appoint Ms Green for a further 2 years term to assist with continuity of Membership.

Clause 4.6 of the Committee's Terms of Reference state (in part)

Independent Members are eligible for reappointment at the expiration of their term of office at the sole discretion of the Board. An independent Member may be appointed for a maximum of three (3) consecutive terms.

The General Manager has sought the view of Ms Green regarding reappointment and she has expressed her desire to continue on the Committee.

If the Board wish to discuss the performance of Ms Green, it is recommended that that the Board move into confidence in accordance with sections 90(2) and 90(3)(a) of the *Local Government Act 1999*. If the Board determines not to reappoint Ms Green an EOI process as detailed above is recommended to be undertaken to fill the Independent Member vacancy.

Reappointment of Mr Paul Di Iulio as a Board Representative to the Audit and Risk Management Committee

Clause 4.2 of the Audit and Risk Management Committee Terms of Reference states:

The Committee shall consist of five (5) members, two (2) of whom shall be members of the Board and three (3) members who are not a member of the board (independent members).

The current Board Representatives on the Committee are Mr Fraser Bell, Independent Chair and Mr Paul Di Iulio whose term expires in February 2025.

Mr Di Iulio has been a long serving Member of the East Waste Board, including Deputy Chair for at least 10 years, with this current term being his first term on the Committee (in recent time). Mr Di Iulio brings a wealth of knowledge, including direct Member Council knowledge and it is recommended to reappoint Mr Di Iulio for a further term. The General Manager has sought the view of Mr Di Iulio regarding reappointment and he has expressed his desire to continue on the Committee. If the Board wish to discuss the performance of Mr Di Iulio, it is recommended that that the Board move into confidence in accordance with sections 90(2) and 90(3)(a) of the *Local Government Act 1999*.

If the Board determines not to reappoint Mr Di Iulio nominations to fill the Board Representative vacancy from among the current Board Members will be sought. Should more than one Board Member nominate a ballot process will be undertaken.

AUDIT & RISK MANAGEMENT COMMITTEE TERMS OF REFERENCE



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

SIGNED:


.....
General Manager

Date: 24/02/2022


.....
Chairperson

Date: 24/02/2022

1. Establishment

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

2. Objectives

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

3. Role of the Committee

3.1 Financial Reporting and Sustainability

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

3.2 Internal Controls and Risk Management

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

3.3 Internal Audit

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

3.4 External Audit

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

4. Membership

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

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

5. Voting

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

6. Conflict of Interest

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

7. Register of Interests

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

8. Meetings

- 8.1 The Committee shall meet at least quarterly prior to Board meetings.
- 8.2 Ordinary Meetings of the Committee will be held at times and places determined by the Committee.
- 8.3 Special Meetings of the Committee may be called in accordance with the Act.
- 8.4 Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Committee, the board and any observers. No later than three (3) clear days before the date of the

meeting. Supporting Papers shall be sent to Committee members and other attendees as appropriate at the same time.

- 8.5 Members of the public can attend Committee meetings unless prohibited by the resolution of the Committee under the confidentiality provisions of section 90 of the Act.
- 8.6 Minutes of the Committee meetings shall be circulated within five (5) days after the meeting to all members of the committee.
- 8.7 East Waste's General Manager may direct employees or contractors to attend any meeting as observers or be responsible for preparing papers for the Committee.
- 8.8 East Waste's auditor may be invited to attend meetings of the Committee but is required to attend meetings considering the draft annual financial report and results of the external audit.
- 8.9 Part 2 of Local Government (Procedures at Meetings) Regulations 2013 apply to his Committee.
- 8.10 A member of a Committee can participate in the meeting via electronic means provided advance notice has been provided and facilities are available.

9. Quorum

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

10. Administrative Resources

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

11. Sitting Fees

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

12. Reimbursement of Expenses

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

13. Conduct and Disclosure of Interests

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

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9.6 Draft Credit Card Policy

Report Author Manager Human Resources & Financial Services

Attachments A: Proposed East Waste Credit Card Policy

Purpose and Context

To provide the East Waste Board with an opportunity to review and provide feedback on the proposed Credit Card Policy, as presented in attachment A.

Recommendation

That the East Waste Board adopt the proposed Credit Card Policy, as presented in Attachment A.

Strategic Link

Objective 5. Provide Leadership

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

Background

The Credit Card Policy has been drafted in response to Galpins' FY24 interim review of East Waste's Financial Controls. The proposed Policy provides controls and procedures regarding purchasing and paying for items of expenditure in accordance with section 137 of the *Local Government Act 1999* which deals with the expenditure of funds. Administration is seeking endorsement of the Policy from the East Waste Board.

Report

Galpins' Interim Audit Management Letter of 2023/2024 recommended, at clause 2.5, that the East Waste Board consider the development and adoption of a Credit Card Policy in order to provide:

- procedures to ensure appropriate approvals prior to issuing credit cards
- a process is in place for establishing credit card limits
- a process for the review and approval of credit card statements / transactions
- a reconciliation process for credit card statements to supporting documents
- supporting documents (receipts, tax invoice, etc)
- requirement for credit card holders to sign an 'Agreement and Acknowledgement by Credit Card Holder'
- details of allowable and prohibited uses of credit cards
- any other topics that the Authority considers important.

In determining appropriate policies and procedures for the control of credit cards, Administration referred to the advice of the auditors, relevant legislation, East Waste's Delegation Register

(currently undergoing a separate review) and best practice in local government. Administration are also mindful of recent reviews into expenditure at the City of Burnside and the City of Onkaparinga by the South Australian Ombudsman.

The proposed Policy as presented in Attachment A (refer attachment A) provides detail around who may hold a Corporate Card, security, stringent guidelines regarding usage, recording of documentation and reporting of theft or fraud.

Key features of the proposed Policy include:

- General Managers Corporate Credit Card limit to be delegated and conditioned by the East Waste Board.
- East Waste staff Corporate Credit Card limits will be approved by the General Manager via financial delegations and recorded in East Waste's Sub-Delegations.
- The Finance Department will submit the forms in collaboration with the account holder to obtain a credit card.
- Once a credit card is received, account holder will sign 'Credit Card Holder Authorisation Form' upon receipt which confirms their compliance with the Credit Card Policy and Procurement Policy.
- Direct line managers review the spend of the account holders monthly.
- The Audit & Risk Management Committee will review the General Managers credit card spend at least quarterly.

It is proposed that the General Manager be delegated the authority to issue Corporate Credit Cards as necessary for operational requirements in accordance with section 137 of the *Local Government Act 1999*.

At the Audit & Risk Management Committee meeting held 17 September 2024, the Committee resolved:

9.7 Draft Credit Card Policy

Moved Ms L Green that the Audit & Risk Management Committee recommend to the East Waste Board that the Draft East Waste Credit Card Policy, as presented in Attachment A, be adopted.

Seconded Mr P Di Iulio

Carried

Conclusion

The proposed Credit Card Policy ensures that controls are formalised around appropriate usage, documentation, reconciliation, security and theft or fraud, thus reducing risks to East Waste.

Credit Card Policy

1. Purpose

The Eastern Waste Management Authority (East Waste) is accountable to its Member Councils for the expenditure decisions it makes and through this Policy, provides guidance on appropriate and reasonable corporate credit card expenditure.

This Policy applies the provisions of the *Local Government Act 1999* (the Act) regarding East Waste's corporate credit cards and how financial information pertaining to credit card purchases, transactions and reconciliations are undertaken across all East Waste operations. It should be noted that this is only one method of procuring goods and services with other methods including (but not limited to) expense reimbursements and Accounts Payable.

1.1. This policy specifically addresses these requirements by seeking to:

- 1.1.1. Ensure corporate credit cards are issued and used appropriately for East Waste related business and all expenses incurred are properly approved and acquitted.
- 1.1.2. Regulate and promote transparency on the expenditure of public monies when utilising corporate credit cards.

1.2. The Policy also adheres to and identifies specific provisions in the *Commonwealth Anti-Money Laundering and Counter-Terrorism Financing Act 2006*, primarily concerning identification of staff members in order to initiate a Corporate Credit Card with the issuing bank.

2. Principles

2.1. Section 137 (Expenditure of funds) of the Act gives the East Waste Board the power to expend its funds in the exercise, performance, or discharge of its powers, functions or duties under the Act or any other Act. The East Waste Board has delegated this power, with limitations and guidance, to the General Manager.

2.2. This policy applies to all East Waste employees and relates to situations in which staff use a corporate credit card to expend East Waste funds.

2.3. Corporate credit cards will only be issued with the approval of the General Manager.

2.4. Prior to expending East Waste funds, account holders or any other employee using a credit card must turn their mind towards the following:

- the benefit (real or perceived) gained by the public from the expenditure;
- the benefit (real or perceived) gained by East Waste's Member Councils from the expenditure;

- the public's expectations of government agencies;
- the appropriateness of the amount of the expenditure;
- the merits of an alternative method of payment; and
- whether the expenditure was reasonably necessary for the carrying out of East Waste's functions.

2.5. Corporate Credit Card Limits and Approvals

- 2.5.1 On receipt of the card from the card issuing entity, the new account holder will formally acknowledge receipt of the card by reading and signing East Waste's "Corporate Credit Card Account Holder Agreement" Form (refer Appendix A).
- 2.5.2 Each corporate credit card shall have a limit capping the maximum amount that can be purchased on that corporate credit card in any one transaction.
- 2.5.3 The credit limit for any account holder shall be determined by the General Manager, with reference to the Schedule of Sub-Delegations.
- 2.5.4 Credit limits for the General Manager's corporate credit card shall be approved by the East Waste Board via the Delegations Policy.
- 2.5.5 An annual review of credit cards including number of cards, individuals & positions with allocated cards and credit card limits shall be undertaken by a relevant Manager and provided to the Executive Team for review.

2.6. Transactions, Terms and Conditions of Use

- 2.6.1 Corporate credit cards are intended to be used for adhoc purchases or instances where establishing an East Waste trading account isn't possible or practical. It is recommended that any purchase above \$2,000 should use an alternative form of procurement.
- 2.6.2 Recurring transactions will be accepted via corporate credit card in instances where the vendor does not accept any other form of payment, or where other accepted payment methods do not align with East Waste's accepted procurement methods, such as for subscriptions or licencing purchases.
- 2.6.3 Cash advance facilities are strictly prohibited and BPAY facilities are not available.
- 2.6.4 The splitting of payment for a purchase in multiple parts, where the total value of that purchase would otherwise exceed the financial delegation allocated to the account holder, is strictly prohibited.
- 2.6.5 Personal expenses of any kind are not to be incurred by a staff member on a corporate credit card.
- 2.6.6 If by unintentional causes, personal expenses are incurred, the account holder:
 - is liable and will need to reimburse East Waste for those transactions.
 - must report this personal expense to their Line Manager and Finance Department as soon as identified.

- 2.6.7 Should an account holder incur personal expenses deemed to be excessive by their line Manager on their corporate credit card, it will be reported and may be cancelled at the discretion of the General Manager.
- 2.6.8 Corporate credit cards are not to be linked to any form of personal loyalty points or rewards program.
- 2.6.9 Where possible, account holders who operate and maintain a company vehicle, should not use corporate credit cards to purchase fuel and should use their allocated fuel vendor account card.
- 2.6.10 All transactions are to be verified with a taxation receipt/invoice (or other accepted method of verification within this Policy) on completion. The documents are required for statement verification, transaction audits and to confirm input tax credits accumulated by East Waste for Goods and Services Tax reporting.
- 2.6.11 If a taxation receipt/invoice is lost, or the expense cannot be verified with a taxation receipt/invoice, the account holder will request a copy of the taxation receipt/invoice from the merchant or vendor. If this is not possible the card holder must complete a statutory declaration (refer Appendix B) and use this in place of the taxation receipt/invoice to verify the purchase is business related. An EFTPOS receipt is not an acceptable form of verification and will not be accepted.
- 2.6.12 From time to time there may be an exception to the requirement for an account holder to submit a statutory declaration in place of a missing taxation invoice/receipt for the verification of a transaction, where the value of the purchase does not exceed \$50 (inclusive of GST). This exception will be determined on a case-by-case basis at the discretion of the General Manager, considering the nature of the spend, value of the transaction, and frequency of occurrences. This exception will not apply to the General Manager under any circumstances.
- 2.6.13 The General Manager reserves the right to request an account holder to forfeit their corporate credit card at any time.
- 2.6.14 An account holder found to have used a corporate credit card in contravention of the terms and conditions of use as prescribed by the card provider, or those stated in this policy, may be subject to disciplinary action.

2.7. Reporting and Reconciliation

- 2.7.1 The account holder is responsible for reconciling and coding each transaction they have incurred on a monthly basis.
- 2.7.2 All transactions must be supported with either a valid taxation invoice/receipt or Statutory Declaration, unless granted an exception from the General Manager. Evidence of an exception must be provided within the transaction reconciliation for ease of verification of expenditure.
- 2.7.3 The account holder's credit card reconciliation will be submitted monthly to their direct line Manager for review and authorisation of expenditure.

- 2.7.4 The East Waste Audit & Risk Management Committee will review the General Manager's credit card reconciliation, at least quarterly, via the Information Report within the Meeting Agenda.
- 2.7.5 Through the submission of a credit card reconciliation the account holder is acknowledging that they have complied with their responsibilities in line with this Policy and other relevant internal policies and that public funds have been appropriately incurred and/or approved.
- 2.7.6 The account holder's line Manager will review the reconciliation and supporting documentation and must verify each transaction expense on the reconciliation. The authoriser must turn their mind to the appropriateness of each transaction, to ensure it is justified as a genuine business expense, giving consideration to this policy, the Procurement Policy and other relevant policies. If they are satisfied and there are no errors, they shall authorise the transactions.
- 2.7.7 Final reporting and reconciliation of corporate credit card transactions will be undertaken by the Finance Officer and overseen by their direct line Manager.
- 2.7.8 Any expense not adequately justified or deemed to be a genuine business purchase through the reconciliation and verification process will be deemed unauthorised, and will be treated as a personal expense, and therefore will need to be reimbursed to East Waste by the account holder.

2.8. Disputed or Unverified Transactions

- 2.8.1 Should the account holder identify an unverified transaction, such as, a duplicate transaction, amount discrepancies by merchants/vendors, unknown or fraudulent charges, the account holder will, as soon as reasonably practical:
 - Report to the General Manager and Finance Department;
 - Report this to the credit card issuing entity and have a temporary stop placed on the card; and
 - Initially follow up or dispute the transactions with the Merchant/Vendor, where possible.
- 2.8.2 The account holder is still required to undertake these steps as soon as reasonably practical in instances where they have been made aware of the situation outside of normal business hours.

2.9. Lost, Stolen or Replacement Cards

It is the responsibility of the account holder to resolve issues relating to Lost, Stolen or Replacement Cards and immediately report this to the card issuer and the Finance Department, even if this occurs on a non-work day or outside of normal business hours.

2.10 Review and Authority

Without changing the intent, only the General Manager may waive or vary the requirements of this policy as needed to meet operational requirements; any significant deviations in this regard will be provided through the Information Report to the East Waste Audit & Risk Management Committee.

3. Legislation

Anti-Money Laundering and Counter-Terrorism Financing Act 2006 (Cth)

Local Government Act 1999

4. Related Documents

East Waste Procurement Policy

East Waste Delegations and Sub-Delegations

5. Review

This Policy will be reviewed every four years or in the instance of legislative change.

Signed _____

Chair of East Waste Board

Date ____/____/____

Signed _____

General Manager

Date ____/____/____

6. Document History

Version No:	Issue Date:	Description of Change:
1.0		New Document

Corporate Credit Card Account Holder Agreement Form

Account Holder Name : _____

Position: _____

Department: _____

Card Number (last 4 digits): ____ **Expiry:** __ / __

I acknowledge that I am solely responsible for the use and expenditure incurred on the above issued Corporate Credit Card, and I have read and agree to comply with all of the requirements of the following:

- East Waste Credit Card Policy
- East Waste Procurement Policy

I acknowledge that my use of the Corporate Credit Card must be within the delegated credit limits given to me and any expenditure on the credit card shall be for genuine business activities only.

I undertake to keep the Corporate Credit Card and PIN safe from unauthorised use at all times.

I agree to return the Corporate Credit Card on cessation of my employment, or if requested by the General Manager.

I understand that if I misuse the Corporate Credit Card or breach the above compliance documents, it may result in forfeiture of the Corporate Credit Card and disciplinary action being taken, including termination of employment and commencement of legal proceedings.

I acknowledge my maximum monthly credit limit is \$_____

I will take the following action if the Corporate Credit Card has been lost or stolen:

- Report to the General Manager and Finance Department;
- Report this to the credit card issuing entity and have a temporary stop placed on the card; and
- Initially follow up or dispute the transactions with the Merchant/Vendor, where possible.

Account Holder's Signature

Date

Witness – Print Name & Title

Date

General Manager's Signature

Date

Statutory Declaration

State of South Australia – Oaths Act 1936

I, [full name]: _____

Of, [address]: _____

Do solemnly and sincerely declare that,

I, [insert name and title] _____

Declare that a purchase from, [merchant name] _____

For the purposes of [explain the reason for the purchase and provide adequate justification of why it was deemed a business expense]

Was made on my East Waste Corporate Credit Card on [insert date] _____ totaling the amount of [insert amount] \$ _____

I purchased the following items/services [insert details of items or services purchased]

I declare I have misplaced/lost the tax receipt/invoice, and confirm the purchase made related to a reasonable business expense for East Waste. I have attempted to replace the tax receipt/invoice with no success.

And I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Oaths Act 1936.

Declared at _____ in the State of South Australia this,

_____ day of _____ 20 _____

Before me,

Signature of Authorised Witness_____
Signature of person making this declaration
[to be signed in front of authorised witness]

9.7 Draft Diversity & Inclusion Policy

Report Author General Manager

Attachments A: Proposed East Waste Diversity & Inclusion Policy

Purpose and Context

To provide the East Waste Board with an opportunity to review and provide feedback on the proposed Diversity & Inclusion Policy.

Recommendation

That the East Waste Board:

- 1. Adopt the proposed Diversity & Inclusion Policy, as presented in Attachment A.***
- 2. Consider the appropriate allocation of funding through the FY26 budget development process to ensure adequate resourcing associated with awareness and training.***

Strategic Link

Objective 5. Provide Leadership

Strategy 5.3 Invest in our people.

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. One of these was to generate a Diversity Metric for the Organisation.

Diversity is broad reaching and continues to evolve in its inclusivity with many Organisations struggling to truly reflect and respond to this. The establishment of a diversity metric (or for that matter a series of metrics) is one way of addressing diversity, however the setting of metric(s) in itself runs the risk of being discriminatory, holistically ineffective and/or limiting the organisation.

Considering this, a *Diversity and Inclusion Policy* is proposed instead, which if adopted will provide a broader and more diverse, open approach across the organisation. The Policy was initially presented to the Audit & Risk Committee in June 2024 and feedback received from this meeting has been incorporated into the revised draft.

Report

Currently there are broadly seven (7) recognised Diversity categories, being:

- Race/Ethnicity;
- Gender;
- Sexuality;
- Neurodiversity;
- Disability;
- Religion; and
- Age.

Other categories exist and should also be considered within the East Waste context, including for example socioeconomic status and background.

Following the setting of the diversity metric Key Performance Indicator (KPI) by the Board, Administration considered East Waste's current standing and a raft of possible metrics, but were not satisfied that with any proposed that they were either reflective of a mature, progressive Organisation, or achievable. Importantly none sought to fully provide a holistic approach to inclusivity that culturally has been employed at East Waste in recent times.

An example of a single diversity target that is not seen as appropriate for East Waste is reflected in the gender diversity within our pool of Operators. Currently East Waste employs three (3) women out of a total of 59 Operators. This represents 5.1%, which in itself is not a significant number, however the employment of three women is the most women employed within operations at any one time in East Waste's history (over 90 years) and there have been significant period of no female operators. For one of these employees, the conditions of employment have been adapted to accommodate family requirements, demonstrating the openness and adaptability already in operation to broaden our existing diversity. On the one hand we have significantly improved our gender diversity over the past 12 months, however it is nowhere near a level that as an Organisation we should be proud of.

Further to this example, if we sought to increase the number of female Drivers to a desirable level (let's say conservatively, 20%) this would require the employment of an additional 9 female Drivers. In order to achieve this, over a period of the next 2-3 years, East Waste would be required to develop a specific Driver Academy and/or an attraction and retention program targeting women, conservatively estimated to cost between \$0.3M - \$0.5M. This may well be an acceptable approach, however Administration's broader concern is that the single focussed nature of such a target distracts from a more holistic, open and inclusive Organisation that we desire to be. With many of the diversity categories it is not appropriate to directly seek, ask (or even lawful to ask) an individual's identity.

Administration's view is that through the development of a Diversity and Inclusion Policy (refer Attachment A), a more holistic and further reaching outcome can be achieved which assists in demonstrating East Waste as a leader in not just welcoming all forms of diversity, but actively promoting it through all facets of the business.

The Diversity and Inclusion Policy as written, goes beyond the immediate staff body and recruitment and retention to consider procurement processes and community engagement and support. Importantly there is a recognised training and development program that needs to be rolled out across all staff if the Policy is adopted and this currently remains unfunded. Adherence to the Policy may also result in increased Procurement Processes at times to accommodate the required Diversity.

Administration is committed to enhancing the foundations of the inclusive environment that already exists where all staff, contractors, suppliers, business partners and the community we serve, are treated with dignity and respect, and where diversity is celebrated and embraced. By fostering a broad culture of inclusion (and adoption of the Diversity and Inclusion Policy), Administration believes stronger, longer lasting and more impactful results can be achieved.

The Policy as presented in Attachment A has incorporated the initial feedback provided by the General Manager Performance Review Committee, Audit & Risk Management Committee and designated Board Members. It is recognised that a policy of this nature is evolutionary and that a policy is better than no policy to instil the Organisation's intent and commitment. As such an initial 18-month review period is proposed for the Policy, as is recognition that adoption of the Policy will require resource commitment to implement awareness and training.

Conclusion

The proposed Diversity & Inclusion Policy is contemporary and is a strong active statement of the Organisation's commitment to advance Diversity & Inclusion across all aspects of the business.

Diversity & Inclusion Policy

1. Policy

Here at the Eastern Waste Management Authority (herein referred to as East Waste), we believe that diversity is not just a buzzword but an essential pillar of our organisational culture. We recognise and value the unique perspectives, backgrounds, and experiences that each individual brings to the enhancement of our Organisation. Our commitment to diversity goes beyond mere compliance; it is ingrained in everything we do. This policy serves as a testament to our dedication to creating an inclusive environment where everyone feels valued, respected, and empowered to contribute to our collective success.

2. Policy Statement

East Waste strives to foster a workplace culture that celebrates diversity and promotes inclusivity at all levels. We reject all forms of discrimination, harassment, and bias and are dedicated to creating an environment where everyone feels welcomed, safe, respected, and valued. We encourage open dialogue, collaboration, and mutual respect among employees from diverse backgrounds. East Waste:

- is committed to providing an inclusive workplace that is safe and supportive of everyone;
- understands that this type of environment means everyone can bring their best and whole self to work and that this increases productivity and drives the organisation forward;
- is an equal opportunity employer;
- is committed to encouraging and providing equal employment and promotion opportunities to all employees and applicants without regard to race, colour, religion, gender, sexual orientation, gender identity or expression, national origin, age, genetic information, disability, or any other characteristic protected by applicable law;
- believes that diversity enriches our workforce and strengthens our organisation;
- recognises that diversity is an evolutionary process and training and awareness amongst current staff is critical to the advancement of an inclusive workplace;
- does not tolerate any form of discrimination, bullying or harassment or victimisation;
- is committed to developing, using and continually measuring the success of processes and practices that support the fair treatment of all stakeholders;
- is committed to considering workplace flexibility and different ways of working;

- calls out and takes steps to mitigate potential bias in its operations and supply chains; and
- is committed to becoming an employer of choice; and
- will actively seek out ways to engage with all members of the community.

3. Legislation

- *South Australian Work Health and Safety Act, 2012*
- *South Australian Work Health and Safety Regulations, 2012*
- *Local Government Act, 1999*
- *Age Discrimination Act 2004*
- *Australian Human Rights Commission Act 1986*
- *Disability Discrimination Act 1992*
- *Racial Discrimination Act 1975*
- *Sex Discrimination Act 1984*

4. References

Nil

5. Related Documents

- Behavioural Standards Policy
- Sexual Harassment Policy

6. Overview of Recognised Diversity Groups

East Waste recognises that there a number (and growing list) of recognised and important diversities. This Policy aims to be broad in the inclusion of groups and is inclusive and is not specifically limited to the following (As the policy is reviewed East Waste will included other recognised groups):

6.1 Race/Ethnicity

East Waste recognises the importance of racial and ethnic diversity in our workforce. We acknowledge the unique experiences and perspectives that individuals from different racial and ethnic backgrounds bring to our organisation, particularly our indigenous culture. We are committed to fostering an inclusive environment where employees of all races and ethnicities feel valued and respected.

6.2 Gender

East Waste is committed to promoting gender equality and inclusivity in the workplace. We recognise that gender diversity is essential for driving innovation and success. We strive to create a workplace culture.

6.3 Sexuality

East Waste values and respects the diverse sexual orientations of our employees. We are committed to creating a safe and supportive environment where individuals of all sexual orientations feel accepted and valued for who they are. We reject discrimination and harassment based on sexual orientation and we are dedicated to promoting equality for all.

6.4 Neurodiversity

East Waste recognises the unique abilities and perspectives of neurodiverse individuals. We are committed to creating an inclusive environment where individuals with neurodiverse conditions such as autism, ADHD, dyslexia, and others feel supported and accommodated. We believe that embracing neurodiversity enhances creativity, innovation, and productivity in the workplace.

6.5 Disability

East Waste is committed to promoting equality and inclusion for individuals with disabilities. We recognise the valuable contributions that individuals with disabilities can make to our organisation and are dedicated to providing reasonable accommodations to ensure equal opportunities for all employees. We reject all forms of discrimination based on disability and are committed to fostering an inclusive workplace where everyone can thrive.

6.6 Religion

East Waste respects the diverse religious beliefs and practices of our employees. We are committed to accommodating religious observances and providing a supportive environment where individuals of all faiths feel comfortable expressing their beliefs. We reject discrimination based on religion and are dedicated to promoting religious diversity and understanding in the workplace.

6.7 Age

East Waste values the contributions of employees of all ages. We recognise that age diversity brings valuable perspectives and experiences to our organisation. We are committed to providing equal opportunities for career development and advancement to employees of all age groups, and to fostering a workplace culture where individuals of all ages feel valued and respected.

7. Responsibilities

Advancing diversity and inclusion is a responsibility of all levels of East Waste from the Board down. While it will be the responsibility of the General Manager to ensure the Policy and intent is disseminated to staff and the principles are implemented where required, support from the Board, Committees, Managers and the staff body is critical to ensure the Policy is implemented and maintained in a meaningful and genuine matter.

The following three key areas, along with training and education, are a prescriptive list and will be at the forefront of consideration to ensure the integrity of the Policy is honoured and advanced.

7.1 Recruitment & Retention

We are dedicated to attracting, recruiting, and retaining a diverse workforce that reflects the communities we serve. We are a merit-based organisation but we will actively seek out and support

candidates from underrepresented groups and provide equal opportunities for advancement and professional development to all employees, regardless of background or recognition. We know that inclusive and diverse teams are more engaged and productive because of the varied perspectives and experiences they bring. We will proactively manage any behaviour outside the bounds of this inclusion.

7.2 Supplier Diversity

We are committed to promoting diversity and inclusion not only within our organisation but also throughout our supply chain. Although we are driven by value for money, quality of product and environmental considerations through our tendering processes we will actively consider and support minority-owned, indigenous-owned, and other diverse suppliers whenever possible, in line with our commitment to creating economic opportunities for all.

7.3 Community Engagement

We believe in giving back to the communities we serve and supporting initiatives that promote diversity, equity, and inclusion. We will actively engage with community organisations and support initiatives that promote social justice and equality. We will encourage Member Councils to support and join with us.

8. Training & Education

We are committed to providing ongoing diversity training and education to all employees to promote awareness, understanding, and appreciation of diversity. Through workshops, seminars, and other educational initiatives, we aim to equip our Board and workforce with the knowledge and skills necessary to embrace diversity and foster inclusion in the workplace. Appropriate processes and a program of training will be developed and implemented within six-months of the adoption of this policy, to ensure the intent and integrity of the Policy is carried through.

9. Review

This Diversity & Inclusion Policy shall be reviewed by the Board within three (3) years of issued date or more frequently if legislation or organisational needs change.

An earlier review may include or be initiated by:

- a. Feedback from Managers, Staff, Health & Safety Representatives, or other stakeholders;
- b. Audit & Risk Committee or Board;
- c. Legislative compliance;
- d. Internal or external audit findings; and
- e. Other relevant information.

10. Signatories

Signed _____
General Manager

Signed _____
Independent Chairperson

Date ____/____/____

Date ____/____/____

11. Document History

Version No:	Issue Date:	Description of Change:
1.0	17/06/2024	New Document, reviewed by General Manager Performance Review Committee
2.0	19/06/2024	<i>Review by Audit & Risk Management Committee</i>
3.0	26/09/2024	<i>New Document, endorsed by Board</i>

9.8 Revised East Waste Code of Practice - Procedures at Meetings

Report Author Executive Administration Officer

Attachments A: Revised East Waste Code of Practice – Procedures at Meetings
B: Existing East Waste Code of Practice – Procedures at Meeting

Purpose and Context

The East Waste Board (Board) is required by the *Local Government Act 1999* and the East Waste Charter (Clause 35.1.2) to determine procedures that detail the procedures of meetings of the Board. Accordingly, the Administration has drafted a *Code of Practice – Procedures at Meeting* (Code) included at Attachment A to this report for the Board's consideration.

Recommendation

That the East Waste Board adopts the revised Code of Practice – Procedures at Meetings set out as Attachment A to this report.

Strategic Link

Objective 5. Provide Leadership

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

Background

Clause 35.1 of the Eastern Waste Management Authority Charter (Charter) requires the following:

That subject to Schedule 2, Clause 21 of the Act, to a direction of the Constituent Councils and to the other provisions of this Charter:

- 35.1.1 *the Board must determine its own procedures for meetings, which must be fair and contribute to free and open decision making;*
- 35.1.2 *the Board must set out the adopted meeting procedures in a meeting procedure code of practice which will be available to the public for inspection (without charge) and by way of a copy (on payment of a fee fixed by the Board); and*
- 35.1.3 *the code of practice may be reviewed by the Board at any time but must be reviewed at least once in every three years.*

In addition, Sections 86 and 89 of the *Local Government Act 1999* (Act) provide that meetings of the Board will be conducted according to procedures:

- prescribed by the Act;
- prescribed by regulation in *the Local Government (Procedures at Meetings) Regulations 2013* (Regulations); and
- as determined by resolution of the Board, where permissible.

Executive Summary

A review by Administration has identified the existing *East Waste Code of Practice – Meeting Procedures* (Existing Code) (Attachment B) was adopted by the Eastern Waste Management Authority in May 2013. The Existing Code would have been superseded by the commencement of the Regulations in January 2014. There is no evidence to suggest that the Board has adopted another Code of Practice for Meeting Procedures between 2014 and the current time.

Accordingly, Administration have undertaken a review of the Meeting Procedures of like organisations and have drafted proposed meeting procedures for the Board's consideration in order for the Board to fulfil its statutory obligations with regard to this requirement.

Discussion

Legislative Requirements

The Charter requires the Board to determine its own procedures for meetings which must be fair and contribute to open and free decision making. Clause 35.1.2 of the Charter requires the Board to set out the adopted the meeting procedures in a code of practice which is to be made available for public inspection. Sections 86(8) and 89(1) of the *Local Government Act 1999* states that where a procedure is not prescribed by regulation, the Board can determine its own procedures provided it is not inconsistent with the Act or Regulations.

The revised East Waste Code of Practice – Procedures at Meetings (refer Attachment A) with respect to the previous Meeting Procedures (refer Attachment B), reflect the maturity and evolution of East Waste and Governance expectations within Local Government more broadly. As a result of the wholesale changes a new document has been drawn up, rather than tracked change from the base document. The new Code of Practice – Procedures at Meetings includes:

- the requirements of the *Eastern Waste Management Authority Charter* as gazetted on 28 June 2022;
- the *Local Government Act (Procedures at Meetings) Regulations 2013* as relevant to the proceedings of Board meetings;
- meeting procedures that apply to committees of the Board unless otherwise stated: and
- guidelines on how Board and Committee meetings are to be conducted.

The meeting procedures are consistent with the running of Local Government meetings and provide guidance on a wide variety of matters, some of which East Waste rarely use, albeit, require a framework for when they are to be called upon.

Review Schedule

Regulation 6(2) states that the Board should, at least once in every financial year, review the operation of a code of practice under this regulation. However, clause 35.1.3 of the Charter states that the Code must be reviewed at least once in every three years. Given, that this is a discretionary regulation it is recommended that the review period for the Code be every three years to align with the East Waste Policy Review Schedule. This is reflected within the revised Code.

Code of Practice – Procedures at Meetings

1. Introduction

The Eastern Waste Management Authority (East Waste) is a local government regional subsidiary, established under the *Local Government Act 1999* (the Act) by the Member Councils of 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 Town of Walkerville with a vision that East Waste is ‘ *the leading waste logistics company in Australia through the delivery of innovative collection and resource management services to our Member Councils & their Communities*’.

Requirements relating to meetings of the Board of Management (Board) are set down in the Eastern Waste Management Authority Charter (Charter). The Charter provides that the Board may determine its own procedure for the conduct of its meetings provided that the procedures are not inconsistent with the *Local Government Act 1999* or the Charter.

Schedule 2, Part 2 to the Act details the legislative provisions applicable to a regional subsidiary. In particular Clause 21 (Proceedings of Board of Management) is the basis of this procedure.

2. The Board of Management of the Eastern Waste Management Authority

The Board of Management of the Authority (the Board) is comprised of nine (9) Directors – one person appointed by each of the eight (8) Member Councils and an independent Chairperson appointed jointly by the Member Councils.

3. Scope

- 3.1. This Code of Practice applies to all meetings of the Eastern Waste Management Authority Board, the East Waste Audit & Risk Management Committee, the General Manager Performance Review Committee and any other Committee as resolved by the Board.
- 3.2. Insofar as these Procedures are silent in relation to a matter relating to the conduct of meetings, the procedures shall be as determined by the Chair of the Board on a case by case basis.

4. Board Meetings

4.1. Ordinary Board Meetings

- 4.1.1. All meetings of the Board must take place at such times and places as are fixed by the Board, or, in default, by the General Manager in consultation with the Chair.
- 4.1.2. An ordinary meeting of the Board must be held on at least five (5) occasions in every calendar year and special meetings, subject to the adherence of clause 4.2 may be held otherwise as required.
- 4.1.3. Board Meetings will typically be held either in person or electronically. Hybrid meetings (that is one or more Members attending electronically when the majority are in-person) are discouraged. In exceptional circumstance with approval from the Board Chair or General Manager Members can attend an in-person meeting by electronic means.
- 4.1.4. When attending via electronic means (including video or telephone conference), a Board Member must provide advance notice and ensure facilities are available. Each of the Board Members taking part in the telephone or video conference must at all times during the meeting be able to hear and be heard by the other Board Members present. At the commencement of the meeting, each Board Member must announce their presence to all other Board Members taking part in the meeting.
- 4.1.5. Notice of meetings of the Board, with an accompanying agenda and papers, must be given by the General Manager to each Board Member at least three clear days of the date of the meeting.

4.2. Special Meetings

- 4.2.1. The Chair or any two Members may call a special meeting of the Board. They must give the General Manager a notice of the meeting which sets out the place, date and time of the meeting and states the general nature of the business of the meeting. The meeting must be held at a reasonable time.
- 4.2.2. Notice of the special meeting must be provided at least one clear business day before the meeting. The General Manager will advise all Members of the special meeting as soon as it has been called.
- 4.2.3. Agendas and papers will be distributed as soon as practicable after a special meeting of the Board is called.

5. Quorum

- 5.1. A quorum for a Board meeting is the minimum number of persons who need to be present to constitute a valid meeting. This is determined by dividing the total number of Directors by two and adding one (ignoring any resulting fraction). On current membership for the Board this is 5 attendees.

- 5.2. If the number of apologies received by the General Manager indicates that a quorum will not be present at a meeting the General Manager, in consultation with the Chairperson, may adjourn the meeting to a specified day and time.

6. Circular Resolutions

- 6.1. Clause 35.11 of the Charter enables the Board to make decisions by way of a circular resolution.
- 6.2. Only the General Manager in consultation with the Chair, may determine to give notice of a proposed resolution for the purposes of obtaining a decision of the Board by a circular resolution.
- 6.3. A decision by circular resolution is taken to have been made as and from the date that the General Manager has received a sufficient number of responses to a notice of proposed resolution to indicate that the majority of Directors have voted in favour of it. Where this occurs, the decision is as valid and effectual as if it has been passed at a meeting of the Board.

7. Conflicts of Interest

- 7.1. At the appropriate place on the Agenda the Chairperson will draw the attention of members to the need for them to declare any interests under sections 73, 74 75, 75A, 75B, 75C and 75D of the Act.
- 7.2. Members are expected to declare known material, general conflicts of interests promptly at the time the relevant item of business is called on by the Chairperson and give an explanation at this time of the type of conflict of interest, the nature of the interest including whether the interest is direct or indirect and personal or pecuniary and how they propose to deal with the interest.
- 7.3. 7.3 It is the responsibility of each Member to consider if they have an interest in a matter and seek advice prior to the meeting.

8. Voting

- 8.1. Each item of business is to be considered separately.
- 8.2. All matters will be decided by a simple majority of votes of the Board Members present at the meeting, except where the Charter provides otherwise.
- 8.3. Subject to complying with their statutory obligations, all Board Members present at a meeting must vote on each item arising for decision at the meeting.
- 8.4. The Chair, or other Member presiding in the absence of the Chair, has a deliberative vote only on a question arising for decision at the meeting and, in the event of an equality of votes, does not have a casting vote.
- 8.5. A decision carried by a majority of votes cast by the Members present at a meeting of the Board is a decision of the Board, unless legislation requires an alternative arrangement.

- 8.6. Clause 19 of the Charter stipulates that neither the Authority nor any person on its behalf may give effect to a Special Decision (as listed at clause 19) unless the Member Councils vote in favour of a resolution for the Special Decision by Absolute Majority.

9. Minutes

- 9.1. All minutes must be prepared and distributed to Board Members within seven (7) business days of the meeting to which they relate.
- 9.2. The minutes of the proceedings at a meeting must be submitted for confirmation at the next meeting or, if that is omitted, at a subsequent meeting.

10. Access to Meetings and Documents

- 10.1. Meetings of the Board are open to the public unless the Board otherwise resolves.
- 10.2. The agenda, minutes and all supporting reports and documents, with the exception of items that Board has resolved be kept in confidence, will be made available for public inspection on the East Waste website.
- 10.3. A person authorised in writing by a Member Council may attend (but not participate in) a meeting of the board of management and may have access to papers provided to Directors for the purpose of the meeting.
- 10.4. At any time, the Board or General Manager may agree to invite a person to attend at a Board meeting as an observer or adviser, or to deliver a presentation. In that instance, the person so invited will be bound by obligations of confidentiality.

11. Review of the Code of Practice – Procedures at Meetings

It is the responsibility of the General Manager to monitor the adequacy of the Policy and recommend appropriate changes. The Policy will be formally reviewed every 36 months or as needed.

Signed _____

Chairperson

Date ____/____/____

Signed _____

General Manager

Date ____/____/____

12. Document History

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



Eastern Waste Management Authority

Trading as

East Waste

Code of Practice
Meeting Procedures

Adopted: May 2013

This Code sets out the commitment of the Eastern Waste Management Authority (the Authority) to conduct the meetings of the Board in a manner which contribute to open, transparent and informed decision making and in accordance with all legislative provisions relevant to the Authority.

Legislative Context

The Eastern Waste Management Authority (the Authority) is a regional subsidiary established under the Local Government Act (the Act) established by the following Constituent Councils for the collection and disposal of waste:

- Adelaide Hills Council
- City of Burnside
- City of Campbelltown
- City of Norwood, Payneham and St Peters
- City of Mitcham
- Corporation of the Town of Walkerville.

Schedule 2, Part 2 of the Act details the legislative provisions applicable to a regional subsidiary. In particular Clause 21(Proceedings of board of management) is the basis of this Code of practice.

The Code of Practice also meets all the requirements of the Charter of the Authority.

Principle

The Code is based on the principle that meetings of the Board are fair and contribute to open, transparent and informed decision making.

The Board of Management of the Eastern Waste Management Authority

The Board of Management of the Authority (the Board) is comprised of seven Directors – one person appointed by each of the six Constituent Councils and one independent person appointed jointly by the Constituent Councils.

The independent person takes the role of Chair, and represents the Authority in relations with the media and the public generally.

The Board has appointed a Chief Executive Officer (called the General Manager) to support the Board.

Decisions of the Board

Each Director present at a meeting of the Board has one vote, and if the votes are equal the Chair does not have a casting vote.

A decision carried by a majority of votes cast by the Directors at a meeting of the Board is a decision of the Board except where legislation requires alternative arrangements.

A decision of the Board may be made in writing and not at a meeting. This requires the General Manager to distribute to all Directors a copy of the proposed resolution, and the Directors to return to the General Manager in accordance with the specified timeframe a record of their vote on the proposed resolution. The decision will be determined by simple majority, and the General Manager will advise all Directors of the outcome of the decision within 48 hours of the closing date.

The Board may only give effect to a Special Decision if the Constituent Councils unanimously vote in favour of a Special Decision. Special Decisions include:

- Adopt or vary a Business Plan
- Adopt or vary an Annual Plan
- Delegate the authority of the Board to any other person than the General Manager
- Other Special Decisions are listed in clause 19(d) of the Charter of the Eastern Waste Management Authority.

Board meetings

(1) General

The Chair presides at all meetings of the Board. In the absence of the Chair, the Deputy Chair exercises the Chair's functions at a Board meeting.

A quorum for a Board meeting is the number determined by dividing the total number of Directors by two, and adding one (ignoring any resulting fraction). Any variation to this definition must be formally approved by a unanimous decision of the Constituent Councils.

Meetings of the Board are open to the public. However the Board may consider it necessary and appropriate to consider information or a matter in confidence, and therefore exclude any members of the public and any unauthorised persons from the meeting. More detail is provided in the Code of Practice Public Access to Meetings and Documents.

Directors are required to declare any interest in a matter being considered by the Board at a meeting of the Board in accordance with the relevant legislation.

A Board meeting may be held by telephone or video conference provided at least a quorum of Directors is personally present at the meeting.

The Board may agree to invite a person to attend a Board meeting as an observer or adviser.

(2) Ordinary meetings of the Board

Ordinary meetings of the Board must be held at least quarterly and not scheduled before 5 pm unless unanimously decided by the Board. The Board will determine meeting times and venues. In the absence of a decision by the Board, the CEO in consultation with the Chair may determine a meeting time and place.

Agenda papers are distributed by the General Manager to each Director and each Constituent Council not less than three clear days prior to a meeting, and published on the Authority's website. The General Manager distributes copies of the minutes to each Director and each Constituent Council within seven days of the conclusion of a Board meeting, and published on the Authority's website.

(3) Special meetings of the Board

The Chair or any two Directors may call a special meeting of the Board. They must give the General Manager a notice of the meeting which sets out the place, date and time of the meeting; states the general nature of the business of the meeting; and is provided at least one clear business day before the date of the meeting. The meeting must be held at a reasonable time.

The General Manager will advise all Directors of the special meeting, and at the same time arrange for the meeting notice to be displayed at the principal office of the Authority and each Constituent Council.

Operations Assistance Committee

The General Manager may establish an Operations Assistance Committee. If this Committee is formed it is not bound by this Code of Practice. The nature of its meeting procedures will be determined by the General Manager. The General Manager will advise the Board should there be reason to establish the Committee.

Governance

The Code will be reviewed annually by the Board. However the Board has the discretion to review the Code at any time to take into account any significant new information, legislative, or organisational change which may warrant an amendment to this document.

A review of the Code is conducted in consultation with the Constituent Councils.

Copies of the Code are available from the East Waste website www.eastwaste.com.au or the Authority's office at 1 Temple Court Ottoway SA 5013.

This Policy was approved by the Board at its meeting on 2 May 2013

Review history

Nil

9.9 Revised Policy Development Policy

Report Author Manager Policy Development Policy

Attachments A: Revised Policy Development Policy

Purpose and Context

To provide the Board with an opportunity to review and provide feedback on the revised Policy Development Policy (the Policy).

Recommendation

That the East Waste Board endorse the revised Policy Development Policy, as presented in Attachment A.

Strategic Link

Objective 5. Provide Leadership

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

Background

In 2021, East Waste's Audit and Risk Management Committee (the Committee) recommended that the East Waste administration develop a Policy Development Policy to ensure consistency across East Waste's policies and procedures, while also adding rigor and structure to the process.

In response to this recommendation, East Waste Administration drafted a Policy Development Policy based on the Institute of Community Directors Australia's policy template, adapting it to meet East Waste's specific operational needs.

The draft Policy was subsequently adopted by the East Waste Board at the November 2021 Board meeting.

Report

In line with the policy review schedule, the *Policy Development Policy* is due for review in November 2024. However, East Waste Administration recently rebranded its corporate documents, including the incorporation of new policy and procedure templates. Therefore, it is considered timely to review the policy now to ensure alignment with the new templates.

East Waste Administration has since reviewed the policy to confirm its relevance and updated the document to reflect the current corporate style. The review included adding a revised consultation section, minor formatting and grammatical changes designed to improve readability. The remainder of the document remains mostly unchanged and has been deemed relevant for East Waste's operational needs.

Key features of the revised Policy include:

- Providing a template for all policies and procedures, while illustrating typical usage of the template.
- Outlining responsibilities for policy development and consultation.
- Defining the key content that should be included in corporate policies.

At the Audit & Risk Management Committee meeting held on 17 September 2024, the revised Policy was presented to the Committee who recommended that that revised policy be presented to the Board for adoption.

9.8 Revised Policy Development Policy

Moved Ms S Di Blasio that the Audit & Risk Management Committee recommend to the East Waste Board that the Revised Policy Development Policy, as presented in Attachment A, be adopted.

Seconded Ms L Green

Carried

Conclusion

The revised *Policy Development Policy* supports sound governance by ensuring that appropriate steps are followed in the development of policies. It also ensures consistency across policies and ensures that they provide the necessary information.

Policy Development Policy

1. Introduction

The development and implementation of policies play a crucial role in guiding the strategic direction and operational effectiveness of East Waste. A well-structured policy framework ensures that decisions are made consistently, transparently, and in alignment with the organisation's vision, objectives, and compliance requirements. This Policy Development Policy outlines the standardised approach for the creation, review, and approval of all policies and procedures.

By providing a clear and consistent template, this policy ensures that all policies are not only aligned with the overarching strategic goals but also follow a thorough process of consultation, deliberation, and approval.

2. Purpose

The purpose of this policy is to:

- provide a template for all policies and procedures.
- outline a standard procedure for policies and procedures to be taken from their first drafts through to implementation; and to
- illustrate a typical usage of the template.

3. Policy

Fundamental decisions as to the vision, objectives and strategies of the organisation must be approved by the Board prior to being adopted.

Policies, which are designed to serve the organisation's vision by ensuring that day-to-day decisions are informed by deliberation and consultation, must be approved by the Board. The Board may delegate to the General Manager responsibility for designing procedures to put those policies into effect.

Corporate Policies, which lay down a framework and broad principles, should be differentiated from administrative Policies and Procedures, which provide mechanisms appropriate to particular circumstances (typically more operational in nature).

4. Responsibilities

The General Manager is responsible for ensuring that proper procedures for the development, consultation, acceptance, recording, and implementation of every policy are designed and adhered to.

5. Procedures

The Board, a Committee, a general meeting, or the General Manager, will identify the need for a policy document, or for the revision of an existing policy document.

The General Manager will delegate drafting and the author(s) will consult with interested parties, relevant staff, and persons knowledgeable in the area. Consultation may take the form of casual conversations, formal meetings, policy development workshops, email forums, etc.

The draft policy should be circulated to interested parties and relevant stakeholders for comment.

The author(s) will consider any feedback received and will create a final draft for presentation to the Audit & Risk Management Committee and following feedback and recommendation then presentation to the Board.

The Board will accept the policy, defer it, reject it, return it to the authors for amendment, or assign revision to other authors.

Following acceptance by the Board the policy will be added to the Policy Schedule as Version 1. All subsequent revisions shall be numbered accordingly (e.g. Version 2, Version 3,)

6. Consultation

As part of the policy development/review process, appropriate consultation is essential to ensure comprehensive input and alignment with organisational needs. The extent of consultation will vary depending on the subject matter of the policy but may include the following:

- Joint Consultative Committee (JCC): Engaging with employee representatives to ensure the policy reflects internal workforce concerns and considerations.
- Work Health and Safety (WHS) Committee: For policies related to workplace safety, input from the WHS Committee will be sought to ensure alignment with safety standards and best practices.
- External Subject Matter Expertise: Where applicable, external experts will be consulted to provide specialised knowledge and ensure the policy is in line with industry standards.
- Member Councils: Where relevant, input will be sought from member Councils to ensure consistency and alignment with their policies.

All consultation processes will be completed prior to the presentation of the policy to the Audit and Risk Management Committee and the Board, ensuring engagement and feedback are properly incorporated into the final draft/revised policy.

7. Policy and Procedure Format

All policy documents will adhere to a standard policy template (which this document is based on), and so will have the same “look and feel” as this document.

The format of the policy template will include the following headings:

Heading	Definition
Policy Name	A few unique words that describe the general subject matter of the policy.
Version Number	When a policy is being drafted, its Version Number is “dA”. Once endorsed by the Board, it becomes version “V1.0”. Following scheduled or other revisions, this number increases by one.
Drafted By	The person, group of people, subcommittee, etc., that drafted the policy. These people may be contacted prior to any future changes being made, or regarding any confusion around the original intent of the policy.
Passed by the Board on:	This is the date that the Board endorsed the policy.
Responsible Person:	Person or position responsible for day-to-day implementation of policy.
Scheduled review date:	The date set by the Board for review of the policy. Reviews must follow the same development procedure as new policy proposals.
Introduction	Background information on why this policy exists.
Purpose	What this policy seeks to achieve.
Policy	The actual content of the policy; the details of the position held by the organisation on the topic. A policy document may include several sub-headings under this topic, depending on the complexity of the policy matter.
Responsibilities	Identifies who is responsible for adhering to, implementing, and monitoring relevant aspects of the policy or procedure.
Procedures	Outlines how the policy is implemented on a day-to-day basis.
Related Documents	Identifies any other documents that are relevant or important to the policy. While all written material within the organisation is related in one way or another, there will often be particular documents that should be read in conjunction with the policy. Examples may include other policies, Acts of Parliament (or sections of relevant text), the organisation’s charter (or sections of relevant text), etc. Not all policy documents will have Related Documents.
Authorisation	Certifies that the policy has been through all necessary procedures and is now in force.

8. Authorisation

All adopted policies must include the following:

- Signature of the Board Chairperson.
- Signature of the General Manager.
- Date approved / adopted by the Board.

9. Legislation

- *Local Government Act 1999*
- *State Records Act 1997*

10. Related Documents

- *All East Waste Policies & procedures as documented in the Policy Review Schedule(s).*

11. Review

This Policy will be reviewed every three (3) years or in the instance of legislative change.

Signed _____
General Manager

Date ____/____/____

Signed _____
Chairperson

Date ____/____/____

12. Document History

Version No:	Issue Date:	Description of Change:
dA	N/A	New Draft Policy Development Policy.
1.0	25/11/2021	New Policy Development Policy implemented
2.0	27/09/2024	Updated in new Policy Style, including minor formatting and grammatical changes. Removal of requirement for a Policy number and addition of additional information regarding consultation

9.10 2023/24 Education Summary Report

Report Author Manager Business Services

Attachments A: Summary of Education Key Deliverables
B: KESAB 2023/2024 Annual Report

Purpose and Context

This report aims to provide the East Waste Board with an overview of the education and promotional activities delivered by East Waste during the 2023/2024 financial year. It also highlights the development of additional educational and communication materials designed to support the weekly FOGO (Food Organics and Garden Organics) trials implemented by several of our member councils.

Recommendation

The East Waste Board receives and notes the Education Summary Report for the 2023/24 year.

Strategic Link

Objective 3. Provide leading and innovative behaviour change and education

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

Strategy 3.5 Engage schools in behaviour change & waste education.

Background

East Waste continues to deliver on the education objectives and strategies outlined in Objective 3 of the East Waste Strategic Plan, which focuses on "*providing leading and innovative behaviour change and education.*" To support these efforts, East Waste has partnered with KESAB Environmental Solutions to deliver school-based education and community tours. Meanwhile, East Waste's Administration is focused on delivering education to member Councils' communities through various methods, including but not limited to:

- Attendance at Community Events which includes education stalls and event bin monitoring.
- Social Media Posts.
- Updates to Council's and East Waste's websites.
- Input into the contents of Which Bin website.
- Information Displays at Councils and shopping centres.
- Printed Resources/Signage provided to Council's/Schools and Member Council's residents.
- Flyers for inclusion in Council rates notices.
- Waste and Recycling Bin Audits.
- School Excursions; and
- Community and School workshops.

Report

Over the past twelve months, East Waste, in partnership with KESAB, has continued to deliver a range of education and behavior change programs aimed at reaching a broad community audience. These initiatives have been instrumental in promoting better waste disposal practices and supporting East Waste in achieving the Key Performance Indicators outlined in the 2030 Strategic Plan.

The attached **Key Deliverables** (refer to Attachment A) provides a detailed overview of the programs and activities delivered during the 2023/24 financial year. Additional information about the school education programs, delivered under the East Waste/KESAB contract, can be found in the **KESAB Annual Report** (refer to Attachment B).

Some key highlights include:

- East Waste's website had over 122,000 users in 2023-2024.
- Launched "FEAST" education campaign with Ozharvest in secondary schools to focus on food waste reduction.
- 33,122 residents used the My Local Services app for bin collection reminders and weekly tips as of June 2024.
- Social media reach was 88,400 for the year with 230 posts.
- Education stalls at 30 events reached approximately 7,500 people.
- Over 1,000 mini-bin games were played at events in 2023-2024.
- The use of reusable cups at Moonlight Markets avoided 3,500 disposable cups.
- The 'Which Bin? Wednesdays' radio segment reached 15,000 listeners monthly, with the station's audience exceeding 52,000 weekly listeners.
- 120 residents attended 5 education presentations on waste reduction.
- Eight schools are participating in East Waste's Schools program, with comprehensive engagement.
- Community tours in 2023-2024 had 137 attendees across several Council areas.

Conclusion

Whilst it can be difficult to measure the impact of education East Waste Member Councils continue to have a waste diversion rate which is approximately 7% higher than the South Australian metropolitan average, this may be attributed to the efforts put into education/behaviour change.

The education and promotional activities delivered by East Waste throughout the 2023/2024 financial year have demonstrated significant community engagement and progress towards the waste reduction goals outlined in the Strategic Plan. With a broad range of initiatives, including school programs, community events, and digital outreach, East Waste has successfully reached thousands of residents, fostering improved waste disposal behaviours.

The positive results from the FOGO trials and various education efforts highlight the ongoing value of these programs in driving waste diversion and contributing to the State Government's 2025 targets. Continued focus on these initiatives will be crucial in maintaining momentum and achieving long-term waste management objectives.



2023/2024 Education Key Deliverables

Method of delivery	Education delivered	Residents reached and impact 2023-2024
Which Bin? website and tips	Items lookup tool, A-Z directory, tips and videos promoted by Green Industries with a new 'Which Bin? Just ask Vin' campaign. East Waste provides input and content updates for the website.	Website and campaign are delivered state-wide
East Waste and Council websites	The East Waste and Council websites are regularly updated with recycling and waste information. Relevant publications and news articles are also published on these websites.	Council websites are an important source of information for residents and have been identified as one of the main ways residents seek information on waste and recycling. East Waste's website had over 122,000 users this year.
My Local Services app - weekly tips received with bin collection reminders	<p>Waste reduction and recycling tips are delivered each week through the My Local Services app at 6pm on 'bin night' allowing delivery of education timed when waste disposal behaviour is taking place. Public Holiday collections and other important waste collection information is also promoted through these notifications.</p> <p>The collection Calendar and bin collection reminders allow councils to reduce the need for printing or distributing calendars.</p>	As of 1 June 2024: 33,122 East Waste residents now use the app and receive the tips each week
Social media (mostly Facebook)	Weekly tips replicating those going out through the MLS app, relevant events, public holiday collections and other important information published. These are promoted through East Waste's and each of our Council's social media platforms.	2,935 followers. Total reach = 88,400 for the year with 230 posts . This figure does not include the additional reach within our 8 member Councils SM platforms, who also post and share the weekly tips and other SM content. *See social media report for more details

Method of delivery	Education delivered	Residents reached and impact 2023-2024
Community event education stalls and bin monitoring	<p>Education stalls allow for face-to-face delivery of education and resources. Residents can get their questions and concerns answered firsthand and collect printed resources including bin stickers and factsheets. The mini-bin game provides an attractive fun element and effective learning tool for children and adults. Mini-bins and recycled plastic keyrings are provided as prizes for additional incentive. Kitchen caddies and compostable bags are also provided for residents at the stalls.</p> <p>Bin monitoring allows for education to be delivered at the point that waste disposal behaviour is taking place. This usually includes being dressed up as a slice of pizza, taco or other food item to add a fun and humorous element to the activity. This also allows for 'take home' education. Bin monitoring is an essential element to minimising contamination in the bins and maximising waste diversion at events.</p>	<p>Average of 250 people visit the education stall per event x 30 events this year = 7,500 approx.</p> <p>Community events were very well attended again this year.</p> <p>As a result, the education stalls had a very high number of visitors with well over 1000 mini-bin games played.</p> <p>Bin monitoring has been key to achieving a high diversion rate with minimal contamination at Campbelltown City Council's Moonlight Market.</p>
Event bin signage, food vendor education and signs	<p>The 'Event Education and Waste Management Tool Kit' was updated to include details about the single use plastic bans with addition of single use plastic bowls, plates and pizza savers (2023) with links to other resources including Green Industries SA's recent Zero Waste Guide for Events and Venues.</p> <p>Key elements of this includes advice and guidance to stall holders on the requirements of providing 100% compostable or recyclable takeaway items. Vendors are also supplied with stall signage indicating 'which bin' their specific takeaway items should go into.</p> <p>Reusable/refillable E-cups were once again used at this year's Moonlight Markets events allowing vendors to supply reusable, refillable cups as a preferred alternative to disposable cups.</p> <p>Bin stickers and above bin corflute signs have been provided to Councils to allow patrons to identify which bin to use and guide correct disposal behaviour. The large signs use clear graphics and bright colours to ensure maximum visibility and most patrons stop to read and adhere to them. This also facilitates 'take home' education.</p>	<p>All Councils have been provided with the toolkit and bin stickers and/or signs for Council events.</p> <p>Using reusable cups at Moonlight Markets resulted in 3500 disposable cups avoided.</p>

Method of delivery	Education delivered	Residents reached and impact 2023-2024
'Which Bin? Wednesdays' Radio segment on Coast FM	Segment is delivered once per month discussing the latest recycling news stories, initiatives and important topics such as food waste. Listeners are also given the opportunity to call in with their 'Which Bin?' questions.	15,000 tune into the 'Coast Wednesday Magazine' program featuring the 'Which Bin? Wednesdays' segment. Current listening audience exceeds 52,000 weekly listeners (<i>not specific to East Waste Council areas, but mostly within SA</i>).
Council Newsletter and E-News	Regular articles are featured in quarterly newsletters for 5 member Councils (those who still print them) as well as in monthly and weekly E-news bulletins. Topics are themed aligning with key initiatives, significant events and seasonal themes.	Reach is dependent on the Council, publishing method used and frequency of the publication. All publications are available online via Council websites.
Why waste it? /Which Bin? education sessions/presentations	Cover topics of 'avoid, reduce, reuse, recycle and compost' and the correct disposal of items	5 presentations delivered = 120 residents
Talks/presentations linked to National/International events and campaigns	Plastic Free July, International Compost Awareness Week and National Recycling Week.	3 presentations delivered = 70 residents
Static information displays	Static information displays delivered for Plastic Free July, National Recycling Week and International Compost Awareness Week. Banners, posters, display props, flyers, bin stickers and digital screen images provided to Councils to display in the Customer Service area, foyer and libraries.	21 displays delivered = 3,200 residents approx.
Shopping Centre Displays	Education stalls were hosted during Plastic Free July and National Recycling Week and International Compost Awareness Week at Mitcham Shopping Centre, Drakes Newton, St Bernards Fruit & Veg and Pepper Street Art Centre. These stalls are very popular and an effective way to reach out to the residents.	4 education stalls delivered = 800 people approx.

Method of delivery	Education delivered	Residents reached and impact 2023-2024
Printed resources, bin stickers and signs	<p>Pull up banners, flyers, booklets, kerbside bin stickers, school bin stickers, event bin stickers and signage, factsheets, calendars, magnets and no junk mail stickers are provided for all Councils. These are distributed through event stalls, customer service desk, displays, mail outs and online orders through our website. Resources are also used in response to contaminated bin reports and bin tagging programs.</p> <p>School bin stickers are also provided to education sites within East Waste's Council areas. These large front of bin stickers are very popular with many schools outside of East Waste Council areas including interstate requesting them.</p> <p>Bin signage and stickers or MUDs has been developed with Green Industries SA using the Which Bin? design. Large 660L and 240L bin stickers are available for use and signs can be printed to suit specific size requirements.</p>	<p>All Councils are provided with printed resources on request within a printing budget.</p> <p>Printed resources are distributed to residents and schools through education stalls, information sessions, online orders or requests through customer service.</p>
Weekly FOGO/Green Food and Garden Organics trials	<p>Developed and executed project and budget plans, communication and promotion strategies.</p> <p>Organised content design, procurement and distribution of kitchen caddies and information packs, printed resources, street signage, website, and media content.</p> <p>Facilitated information sessions for residents, council staff, and Elected Members.</p> <p>Trained and supported East Waste and Council customer service staff in handling resident inquiries, addressing concerns, and processing opt-out and upsize bin service requests.</p>	<p>Trials were successfully delivered in City of Prospect (1,900 residents and businesses), Adelaide Hills (3 trial areas – total of 730 residents and businesses) and Campbelltown City Council (1,200 residents and businesses).</p> <p>Planning and preparation is underway for City of Burnside's trial commencing 2 September 2024.</p>

Method of delivery	Education delivered	Residents reached and impact 2023-2024
MUDS education	<p>Bin stickers and above bin signage and Kitchen caddies and education packs were delivered at a number of sites including COMO on the Parade, East Park Apartments and various locations in City of Unley.</p> <p>Additional support has been also offered to Councils including: <i>'Moving In'</i> or <i>'Moving Out'</i> education packs with information on correct use of bins and services available e.g. hard waste.</p> <p>Information sessions for residents delivered in partnership with Council and/or Strata Management e.g. <i>'Which Bin? Wednesday'</i> accompanied with a morning tea or sausage sizzle to attract resident participation.</p> <p>Doorstep delivery of education on contamination, illegal dumping issues and/or new services e.g. green bins and kitchen caddies</p>	Targeted education on key issues at specific sites
School Education	Following an nomination process in November 2023, eight schools (one per Council area) are now participating in the new East Waste Schools program. A focus on deeper engagement with each school will be delivered through terms 1-3. Term 1 activities included Bin Materials Audit and staff professional development sessions, Lunchbox and household survey, WOW show (value add). Term 2 involved student sessions including Recycle Relays with a FOGO focus, Journey of My Food, Build a Better Lunchbox, Family sessions including Conscious cooking, composting and worm farm workshops. Term 3 has a balance of sessions, return audit and survey as well as video production for the end of year competition.	Eight schools are engaged with whole of school including students, staff, parents/carers and the school community.
Community Tours	Community Tours (delivered by KESAB) involve visits to various waste, recycling and composting facilities providing the community with a first-hand experience of how materials are sorted and processed for recycling and composting.	<p>November 2023 – Mitcham, Unley (National Recycling week), Adelaide Hills and Burnside (total 72 attendees)</p> <p>May & June 2024 – Adelaide Hills, Prospect, Mitcham, Campbelltown (total 65 attendees)</p>



East Waste

Waste and Recycling Education for Schools and Community

2023/24 Report



Waste and Recycling Education Report 2023/24

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East Waste

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1. Overview

This report provides a summary of KESAB's delivery of the first year of a new 3-year waste education agreement between East Waste and KESAB. The agreed program represents a significant change of approach to waste and resource recovery education services delivery, with an emphasis on deeper engagement with selected schools.

It should be noted that as the first year of this new approach, a significant amount of development has been required, as well as a 'trialling' a number of elements.

Also of note is the challenge of delivering the in-school activities according to schools' calendar, which is disconnected to a budget provided on a financial year basis. This will be discussed later in this report.

This report will be structured according to the key components of the agreement, being:

- East Waste Schools Program
- FEAST for East Waste
- East Waste Schools Challenge
- Community Tours

2. Background

In July 2023, Eastern Waste Management Authority (East Waste) notified KESAB *environmental solutions* (KESAB) it had been successful in its tender (RFT 2023/03) for "Waste and Recycling Education for Schools & Community" for a period of three years commencing 1 July 2023, plus a possible two additional years.

The detail of the agreement was negotiated between East Waste and KESAB over the second half of 2023. The finalised agreement itself was signed in February 2024. As discussed below, delivery and development work continued during this period.

3. East Waste Schools Program

As a new approach to waste and resource recovery education, a significant period of planning and preparation was required over the first six months of the agreement, to end December 2023. Alongside this development work, KESAB concluded the previous arrangements of delivering sessions to East Waste schools¹ (incursions and excursions) on a by-request basis to the end of the 2023 school year (refer Appendix 1).

¹ 'East Waste schools' is used here as a short-hand for schools located within East Waste Member Councils.

3.1 Development

The Schools Program of activities was developed with key considerations being:

- Ability to tailor to school needs and calendar
- Building on existing school waste management practices
- Connecting to family / household behaviours where possible
- Maximising opportunities for measurement

A flyer outlining the opportunity was developed and circulated to all East Waste primary schools in Term 4, 2023.

EastWaste SCHOOLS PROGRAM

What is the East Waste Schools Program?
East Waste schools are invited to nominate their site for a year-long program of waste education, delivered by KESAB environmental solutions.

The focus of the 2024 program will be:
Food waste reduction and diversion.

What does it involve?
KESAB will work with each participating school to develop a program of activities, tailored to the school community and calendar.

Activities will include a Wipe Out Waste bin materials audit (and re-audit), staff professional development, school sessions and family engagement. Students will produce a short video about reducing food to landfill – the video judged best will win a prize!

The cost of the program is fully-funded by East Waste for one school per East Waste Council each year.

How do I find out more?
Further details are available at www.kesab.asn.au/programs or call KESAB on 08 8234 7255 to discuss.

Nominations close on Friday 24 November 2023.
Nomination forms are available online or on request.

Proudly delivered in partnership with **KESAB** environmental solutions

Program Schedule

2023 Term 4	Nominations close 24 November 2023	Selection process	Successful schools advised by end of school year
2024 Term 1	Agree program of school activities	Staff information and professional development	WOW bin materials audit
2024 Term 2	School sessions From menu of KESAB workshops/incursions	Family engagement After school session and household survey	
2024 Term 3	Re-audit of school waste	Videos submitted by late August	Showcase of initiatives and improvements
2024 Term 4	Winners of video competition announced	Nominations for 2025 Program	

Proudly delivered in partnership with **KESAB** environmental solutions **EastWaste**

Front and back view of East Waste Schools Program flyer

The program has a focus area by term:

- Term 1 - Orientation and baseline data collection
- Term 2 - Student and family engagement
- Term 3 - Data collection and learning consolidation
- Term 4 - Showcase and nominations for next program

Also included in the program is the value-add of the Green Industries SA (GISA) funded Wipe Out Waste (WOW) program. For each participating school, this involved delivery of a WOW Show and their initial Bins Materials Audit (BMA), which interrogates the contents and contamination levels of the school bin system with a view to implementing actions for optimal source separation and overall reduction in waste to landfill.

Food waste focus

As agreed with East Waste, the focus of the 2024 Schools Program is on food waste reduction and diversion. This is reflected through the sessions offered to schools (below):

Students sessions

- Recycle Relays: FOGO focus (correct separation to green waste stream)
- Journey of My Food (whole of life environmental costs, food miles and waste along the whole food chain), and
- Build a Better Lunchbox (reducing packaging and food waste in preparation and consumption).

Family sessions

- Conscious Cooking (reducing waste from purchase through consumption and the use of scraps or food seen to be 'waste'),
- Composting demonstration / workshop, and
- Worm Farms demonstration / workshop.

3.2 Selection process

A call for nominations was made in Term 4, 2023 attracting 18 applications across the eight East Waste Councils. Schools were selected to provide a mix of public / private schools, smaller / larger schools and schools at different stages along their waste management journey.

Schools participating in East Waste Schools Program 2024			
Council	School	School details (System / Enrolment)	Target group
Adelaide Hills	Birdwood Primary School	Public 250 students	Years 4-5
Burnside	Magill School	Public 780 students	Student action teams Years 4-6
Campbelltown	St Francis of Assisi School	Catholic 263 students	All, including Year 6 leaders
Mitcham	Colonel Light Gardens Primary School	Public 674 students	Years 3-6
Norwood Payneham St Peters	Marryatville Primary School	Public 545 students	Year 4
Prospect	Blackfriars Priory School	Catholic 300 students	Year 4
Unley	Goodwood Primary School	Public 418 students	All
Walkerville	St Monica's Parish School	Catholic 200 students	EcoTeams

3.3 Delivery

KESAB commenced in-school delivery in Term 1, 2024.

A summary of all activities completed and scheduled by school are included at Appendix 2 but some highlights are provided below:

Highlights

- Birdwood Primary School - Family session held at very popular Birdwood Farm Day on 19 May, recognising importance of leveraging existing school community events.
- Magill School - Six full classes of Year 4s (12 groups of 10-15 students) took part in organic waste audit activities and participated in discussions around food waste, embedded resources and plastics contamination.
- St Monica's Parish School - EcoTeam students presented the results of the Bin Materials Audit to the school board (parents, staff and school leadership) to make the case for the creation of an Environmental Action committee.
- Blackfriars Priory School newsletter article:
[When learning is a load of rubbish \(blackfriars.sa.edu.au\)](https://blackfriars.sa.edu.au/when-learning-is-a-load-of-rubbish)

4. FEAST for East Waste

FEAST for East Waste provides an opportunity for secondary schools to focus on food waste minimisation and diversion.

The OzHarvest FEAST program brings together sustainability, food waste and nutrition education. Aligned with Design and Technologies and Food Specialisations in the Australian Curriculum, FEAST is a 10-week program in which students learn about the issue and impact of food waste on our environment and how to plan, prepare and cook healthy and nutritious recipes. Students follow a design process to produce an information sheet, design their own 'Use It Up' recipe and showcase their research and knowledge in a creative 'Fight Food Waste' promo.

Following finalisation of the East Waste-KESAB contract, KESAB has negotiated a partnership agreement with OzHarvest to deliver the FEAST program to East Waste secondary schools. KESAB and OzHarvest have been working together to determine the best approach to promote the opportunity to East Waste secondary schools.

Noting that in a secondary setting, curriculum planning has been largely set for the current school year, and the lead time to program a 10-week block of work, it has been agreed that the FEAST offering will be promoted and made available to schools in the current school year, with the expectation that schools will program it into a future term. In practice, this will result in schools participating in the program on a 'rolling' basis.

5. East Waste Schools Challenge

Separate to the Schools Program is the East Waste Schools Challenge, an initiative made available to all primary schools across East Waste Councils. The objective of the Challenge is to encourage FOGO knowledge-sharing and behaviour change within East Waste school communities, beyond those schools that are part of the East Waste Schools Program.

The focus of the East Waste Schools Challenge will be food waste reduction and diversion specifically, the use of the kerbside green bin.

In conjunction with East Waste, KESAB has developed the following scope for the Challenge:

- Guided by key FOGO facts, students will receive a simple introduction to food waste reduction and diversion.
- Students will be asked to draw a **poster picture with a message**, for example:
"Food waste is a big no-no, composting helps plants grow!" or
"Don't waste your plate, compost is great!"
- Group work will be encouraged for creating A3-sized artworks.
- On receipt of entries, KESAB will send a thank you / acknowledgement and a take home 'Checklist' resource to each participating student.
- Students will be asked to complete the Checklist at home with their family.
The checklist will comprise simple tasks like:
"Help your parents put the green bin on the kerbside" or
"Make sure your tissues go in the green bin."
- Entries received will be reviewed by KESAB and East Waste.
The 12 entries deemed best will be compiled into a calendar for printing and distribution.
- The calendar will also incorporate an interactive element on each page, encouraging simple actions / changes to behaviour.
- In addition, images may be used by East Waste for promotional purposes such as the 'My Local Services' app.
- Selected ('winning') entries will receive a supply of calendars for their school.

Once fully developed, the Challenge is scheduled to be launched in Term 3, 2024.

6. Community Tours

Nine 'Beyond the Kerb' tours were delivered by KESAB during the reporting period (one additional to agreement due to timings).

Destinations included; ReStore (social enterprise), YCA Recycling (specialised plastics recycling), Central Adelaide Waste and Recycling Authority (CAWRA) Materials Recovery Facility, Sims Metal (recycling), Jeffries Wingfield and Buckland Park sites (composting), Integrated Waste Services (KESAB Education Centre) and Electronic Recycling Australia (ERA).

At the request of City of Mitcham, a tour was tailored to local options for specialty collections for electronics, batteries and textiles and including two eco-stores offering bulk-foods and promoting waste avoidance and reduction.

A number of these tours were scheduled around International Composting Awareness Week (in May) and National Recycling Week (in November). As scheduling of each tour is on an individual Council basis and is driven by Council capacity and preferences, the agreed delivery of one tour per council, per year is applied on a calendar-year basis.

Council	Date	Booked	Attended
Norwood, Payneham, St Peters	27 July 2023	15	15
Mitcham	14 November 2023	22	17
Unley	16 November 2023	20	17
Burnside	23 November 2023	20	18
Adelaide Hills	29 November 2023	16	15
Adelaide Hills	16 May 2024	22	17
Mitcham	28 May 2024	20	14
Prospect	30 May 2024	10	9
Campbelltown	25 June 2024	19	18

6.1 Tour photos



Above: Burnside Council tour, November 2023



Above and below: Adelaide Hills Council tour, November 2023



6.2 Tour feedback

- Thanks Sarah a really interesting and useful day.
- Thank you, very informative.
- Great say-there should be more of them to educate more people. Many thanks Sarah.
- Excellent tour, praise to Sarah=5 star.
- Fantastic session, thanks so much!
- Thank you for a most informative outing!
- Thank you-fantastic, I have learnt lots!
- Keep up your good work
- Sarah you are a passionate and animated presenter-a great ambassador for KESAB.
Today's tour was a real eye opener. It was gratifying to find out the SA is doing well in the composting stakes. Thank you!
- Better appreciation of what makes good quality commercial compost/mulch- GO SOUTH AUSTRALIA!!
- Terrific trip, will let friends + family know. Great job by Sarah

All participants are emailed a follow-up survey seeking feedback. Across all surveys completed, a single 'neutral' response was received, with the participant noting they hoped to see the yellow bin sorting process. All other responses were positive (using 'happy-neutral-sad' face rating system).

7. Commentary

KESAB has welcomed the opportunity to re-focus waste and resource recovery education throughout East Waste Councils for the 2024 school year. This new multi-year agreement provides an opportunity to work more intensively with specific schools and a more coordinated approach to behaviour change through education.

The engagement received from the eight primary schools participating in the 2024 East Waste Schools Program has been extremely positive. Further, the interest received from the additional ten schools that nominated to be part of the program is also very encouraging and an opportunity to build on.

In the implementation of the new agreement, KESAB has identified two key challenges. The first is the mismatch between a financial-year funding model and a school-year delivery model. Whilst not insurmountable, KESAB notes here that some deliverables within the agreement (i.e. FEAST for East Waste and Schools Challenge) will be delivered in the 2024 school year, rather than within the 2023-24 reporting period. This issue is largely mitigated by the multi-year nature of the KESAB-East Waste agreement.

The second key challenge to note has been the ability of the participating schools to fully take up a program as comprehensive as what is on offer. Several reasons for this have already been identified over the course of the school year, including competing and changing priorities for schools, as well as incorporating numerous activities into an already very full school calendar. Appendix 2 (School activities delivered January - June 2024) reflects that only two of the eight schools have been able to facilitate a family engagement activity in Term 2 as intended.

The KESAB team already have ideas for improvements to the existing model and welcomes a prompt review process with East Waste on conclusion of the 2024 program (in time to apply to the 2025 program). At the conclusion of the 2024 program, KESAB will also be in the position to provide qualitative and quantitative measures of the program's impact.

KESAB values its ongoing, collaborative relationship with East Waste, and welcomes any feedback or further direction in response to this reporting.

Appendix 1 – School activities delivered July - December 2023

	Session type	Number participants
Burnside		
Glenunga International High School	1 x KEC	17
Magill Primary School	4 x recycle relay	105
Mitcham		
Blackwood Action Group	1 x which bin presentation	50
Mitcham Preschool Centre	2 x KEC	64
Mitcham Village Kindergarten	1 x beeswax wraps	30
Scotch College	2 x KEC	46
Margaret Lohmeyer Kindergarten	2 x recycle rhythms + 1 x worm farm	90
Colonel Light Gardens Probus	1 x which bin presentation	22
Prospect		
Prospect Primary School OSHC	2 x beeswax wraps	60
East Waste / Prospect Council	Prospect trial support	
Prospect Leaders Environmental Group	1 x beeswax wrap demo	29
Rosary School	2 x papermaking	61
Walkerville		
Walkerville Primary School	3 x beeswax wraps	75
Adelaide Hills		
Woodside Primary School	1 x beeswax, 1 x worm farm	60
Kersbrook Primary School	2 x recycle relay	53
Unley		
Goodwood Primary School	2 x recycle relay	57
Unley Primary School	3 x journey of my food	81
Parkside Primary School	Fete stall and activities	40
Grand Total		940

Appendix 2 – School activities delivered January - June 2024

School Activity	Birdwood Primary School	Magill School	St Francis of Assisi	Colonel Light Gardens PS	Marryatville PS	Blackfriars Priory School	Goodwood PS	St Monica's Parish School
Start-up meeting	27 January	23 January	23 January	25 January	4 February	24 January	25 January	24 January
Staff presentation	2 April	28 February	27 March	25 January	19 March	12 February 26 February	28 February	20 March
Bin Materials Audit	7 March	14 March	5 March	17 August	5 March	21 February	20 February	22 February
WOW Show	7 March	27 February	26 February	4 March	6 March	28 February	10 May	6 May
Student sessions	18 June <i>2x Journey of My Food</i> <i>1x Build a Better Lunchbox</i>	15 March <i>3x Recycle Relay</i>	Term 3 - pending arrival of new indoor bin system	2 July <i>5x Recycle Relay</i>	12 June <i>3x Journey of My Food</i>	24 May <i>5x Recycle Relay</i>	20 May <i>3x Journey of My Food</i>	4 March <i>4x Recycle Relay</i>
	20 June <i>2x Build a Better Lunchbox</i> <i>1x Recycle Relay</i>	6 June <i>Journey of My Food</i> <i>Build a Better Lunchbox</i>		4 July <i>4x Build a Better Lunchbox</i>	3 July <i>3x Build a Better Lunchbox</i>	31 May <i>3x Build a Better Lunchbox</i>	28 May <i>5x Recycle Relay</i>	10 September <i>Recycle Relay</i>
Family Session	19 June <i>Birdwood Farm Day info & education stall</i>	To be scheduled	Term 3/4 - want to focus on school garden	Term 3/4 - Conscious cooking	16 August Conscious Cooking workshop	3 June <i>Nude Food</i>	Term 3	10 September <i>Conscious cooking</i>

Appendix 3 – Selected social media posts

KESAB environmental solutions
February 7 · 🌐

KESAB are pleased to be working with eight selected [East Waste](#) schools, one in each Council, on an intensive waste education program throughout the school year 🌱

We'll be providing audits, education sessions and getting staff, students and families involved 🙌

Stay tuned for progress updates throughout the year.

The new school program is funded by East Waste on behalf of their eight member Councils: [Adelaide Hills Council](#), [City of Burnside](#), [Campbelltown City Council \(SA\)](#), [@City of Mitcham](#), [City of Norwood Payneham and St Peters](#), [City of Prospect](#), [City of Unley](#) & [Town of Walkerville](#)

[#wasteeducation](#) [#DontWasteAResource](#)








Hannah Richards, Meqan Bekesi and 29 others 2 comments 3 shares

Like Comment Share

Goodwood Primary School & Preschool
20 February · 🌐

Today our Year 4 classes participated in a waste audit. Waste from across the school was collected and then sorted throughout the day by our students. This audit will help us to see how our current systems for waste, recyclables and organics are working.

We look forward to sharing the results of the audit in the future.

Thank you to Kerrie and Lee from [KESAB environmental solutions](#) and for the program supported by [East Waste](#)!







22 4 comments 2 shares



St Francis of Assisi School, Newton

February 26 at 3:44 PM · 🌐

Today our students were entertained by Graeme from KESAB environmental solutions with the WOW (Wipe out Waste) interactive show! Graeme taught us how to Reduce, Reuse and Recycle... and even shared a few funny magic tricks! 🪄♻️🌱🌍
#nudefood #reducereuserecycle #careforenvironment



👍❤️ You and 22 others

1 comment 3 shares



St Monica's Parish School, Walkerville

24 February · 🌐

THAT'S RUBBISH!!

Last week our Ecology leaders spent the morning with Lee from KESAB to undertake a bin audit of St Monica's rubbish for a week. It was smelly, a bit yucky at times but we learnt so much. Next step is to share our knowledge and help others in our community to make positive changes in their recycling practices and help our world out. Bit by bit, we can make a difference.

#SMPS

#RaisingHeartsAndMinds

#weareallinthistogether



👍❤️ 16

1 🗨️



Blackfriars Priory School

March 4 · 🌐

...

We love seeing our students engaged in their learning.

Last week, as part of our ongoing Greenfriars initiative, the Primary boys attended the Wipe Out Waste Wizard Show. There, they learnt about reducing food packaging, recycling systems and use of the four-bin system - all while having a good laugh.

You can learn more about our recent waste-management focus in our Newsroom - blackfriars.info/Newsroom_Waste





KESAB environmental solutions

3 days ago · 🌐

...

KESAB is pleased to be working with [East Waste](#) schools and had the pleasure of teaching [Blackfriars Priory School](#) students about waste management and avoidance through interactive sessions recently. We look forward to seeing your progress throughout the year.



👍 East Waste and 7 others

1 share

👍 Like

💬 Comment

➦ Share

Waste and Recycling Education Report 2023/2024

209



KESAB environmental solutions

May 22 · 🌐

KESAB enjoyed attending the Birdwood Farm Day event on Sunday as part of the [East Waste Schools Program](#), where [Birdwood Primary School](#) were one of the winners of this education program.

We spoke to families about Nude Food and reducing food waste, and gave out free kitchen caddies and liners to eligible council residents, generously provided by the [Adelaide Hills Council](#). We also handed out free educational materials to over 230 families from [Green Industries SA](#).

[Which Bin?](#) ... [See more](#)



9.11 Information Report for September 2024

Report Author General Manager

Attachments A: Unconfirmed Minutes of Audit & Risk Management Committee
B: Outstanding Resolutions Register
C: Annual Plan Progress Report
D: Annual Reporting Calendar

Purpose and Context

The Information Report for September 2024 presents updates on standing items and minutes of Committees of the East Waste Board. The matters have been listed in one report as an efficiency and 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 September 2024.

Strategic Link

Objective 5. Provide Leadership

Strategy 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 Board:

1. Update on Depot Lease

A new revised lease for the East Waste Business Operations Centre has now been executed under East Waste Common Seal and registered. East Waste utilised the services of Norman Waterhouse to assist in the review and negotiations and ensure a commercially sound agreement has been negotiated. The new lease affords a number of improved conditions and clauses and strengthens East Waste's position as the Lessee.

These benefits include:

- 1 Market-competitive annual lease rate, following market review;

- 2 Reduction in the Annual Inflator, resulting in almost \$80,000 saving over the initial 10 years;
- 3 Initial 10-year term with a right of renewal for a further 10 (effectively guaranteeing a Depot base for the next 20 years if required);
- 4 First Right of Refusal, should the Lessor choose to sell the property (note in the event the property is sold to a third party our Lease will still be honoured);
- 5 The right to sublet;
- 6 Placing the onus of any statutory improvement and fire precaution requirements (unless as a result of our business activities) back onto the Lessor ; and,
- 7 Improved interruption and/or failure of services requirements on the Lessor.

The lease now reflects a solid basis for East Waste to confidentially and strategically move forward with operational certainty. Importantly the lease offers East Waste flexibility, financial assurance and reduces risk, should the option to purchase an alternate parcel of land to base operations from arise.

2. Unconfirmed Minutes of the Audit and Risk Management Committee Meeting held 17 September 2024

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 17 September 2024 are included at Attachment B to this report for the Board's information and consideration.

3. Outstanding Resolutions Register (Refer Attachment B)

The presentation of the Outstanding Resolutions Register to the East Waste Board is considered a good governance practice. The Outstanding Resolutions Register (depicts the status of past resolutions of the Board for the period to 19 September 2024. At this time, as indicated on the attached Register, activities associated with four resolutions are still ongoing.

4. 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 C) provides a snapshot update as to the progress of the Annual Plan activities as of 20 June 2024.

5. 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 D) provides a snapshot update of the progress of East Waste's key legislative and governance reporting requirements for the calendar year.

The annual review of the Asset Management Plan has now been scheduled to occur at the September meetings cycles. Review of the Long Term Financial Plan will follow, scheduled for the November meetings, ahead of the development of the Annual Business Plan & Budget.

This is a standing item on the Agenda.



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

Minutes

Tuesday 17 September 2024

Minutes

Eastern Waste Management Authority

Ordinary Meeting of the Audit & Risk Management Committee

Meeting to be held on Tuesday 17 September 2024 commencing at 8am,
in 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	East Waste Board Representative (Joined the meeting at 8.08am via Zoom)
Mr P Di Iulio	East Waste Board Representative
Ms L Green	Independent Member
Ms S Di Blasio	Independent Member

In Attendance:

Mr R Gregory	General Manager
Mr D Maywald	Manager Business Services
Mr B Krombholz	Manager Operational Services
Ms K Vandermoer	Manager Human Resources & Financial Services
Ms V Davidson	Executive Administration Officer (via Zoom)
Mr T Muhlhausler	Galpins
Mr J Jovicevic	Dean Newbery & Partners

3. Apologies

Nil.

4. Conflicts of interest

The following disclosure of interest was made:

Item	Type of Conflict	Person
Item 10.2	General	Ms L Green

5. Confirmation of the minutes

Moved Ms L Green that the Minutes of the East Waste Audit and Risk Management Committee meeting held on 16 June 2024 be confirmed as a true and correct record.

Seconded Ms S Di Blasio

Carried

6. Matters arising from the minutes

Nil.

7. Questions without notice

Nil.

8. Presentations

Nil.

9. Reports

9.1 Audited Financial Statements for the Year Ended 30 June 2024

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

1. Receive the draft FY2024 audited Financial Statements as presented in Attachment A and the Management Representation Letter as presented in Attachment C, and recommend both documents for presentation to the East Waste Board; and
2. Note the draft Independent Audit Completion Report as presented in Attachment B.

Seconded Ms Di Blasio

Carried

9.2 Regulation 10 Financial Report

Moved Ms S Di Blasio that the Audit & Risk Management Committee recommends to the East Waste Board that the Regulation 10 Financial Report as presented in Attachment A is adopted.

Seconded Ms L Green

Carried

9.3 Draft 2023/2024 Annual Report

Moved Mr F Bell that Audit & Risk Management Committee recommend to the East Waste Board that the 2023/2024 East Waste Annual Report as presented at Attachment A (excluding minor wording/graphics changes that may be made) is adopted.

Seconded Ms L Green

Carried

9.4 Draft Fleet Asset Management Plan & Strategy

The Audit & Risk Management Committee deemed that Item 9.4 Draft Fleet Asset Management Plan & Strategy which was required to be considered in confidence. Accordingly, this item was moved to Item 10.2 of this agenda.

9.5 Prudential Review – Municipal Solid Waste Contract Project

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

1. is satisfied, having reviewed the Municipal Solid Waste Processing/Disposal Contract Project Prudential Review, that it adequately documents the financial and other risks associated with

the tender and contract process, as per the requirements of East Waste's Prudential Review Policy;

2. recommends the document to the East Waste Board to assist in their decision making process.
3. separate to the Prudential Review undertaken, a report on options of a revised financial framework underpinning East Waste, is presented to the Audit & Risk Committee prior to 30 June 2025.

Seconded Mr F Bell

Carried

Ms K Vandermoer left the meeting at 8.39am

Ms K Vandermoer returned to the meeting at 8.42am.

9.6 Proposed Internal Audit Process

Moved Ms S Di Blasio that the Audit and Risk Management Committee:

1. Notes and accepts the proposed internal audit process, as detailed within this report, for implementing East Waste's Internal Audit Function.
2. Supports the engagement of a suitable externally appointed internal auditor to undertake an assurance mapping and risk analysis exercise initially, associated with the Internal Audit Function.

Seconded Mr P Di Iulio

Carried

9.7 Draft Credit Card Policy

Moved Ms L Green that the Audit & Risk Management Committee recommend to the East Waste Board that the Draft East Waste Credit Card Policy, as presented in Attachment A, be adopted.

Seconded Mr P Di Iulio

Carried

9.8 Revised Policy Development Policy

Moved Ms S Di Blasio that the Audit & Risk Management Committee recommend to the East Waste Board that the Revised Policy Development Policy, as presented in Attachment A, be adopted.

Seconded Ms L Green

Carried

9.9 2023/24 Education Summary Report

Moved Mr P Di Iulio that the Audit & Risk Management Committee recommend to the East Waste Board that the Education Summary Report for the 2023/24 year is received and noted.

Seconded Mr F Bell

Carried

9.10 Information Report for September 2024

Moved Ms S Di Blasio that the Audit & Risk Management Committee receives and notes the Information Report for September 2024.

Seconded Ms L Green

Carried

Mr T Muhlhausler and Mr J Jovicevic left the meeting at 9.36am.

10. Confidential reports

10.1 RFT 2024/05: Municipal Solid Waste Processing/ Disposal Tender

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 & Risk Management Committee orders that the public, with the exception of the East Waste General Manager, Rob Gregory, East Waste Manager Business Services, David Maywald, East Waste Manager Human Resources and Financial Services, Kelly Vandermoer, East Waste Manager Operational Services, Brian Krombholz and East Waste Executive Assistant Vanessa Davidson, be excluded from the meeting on the basis that the East Waste Audit & Risk 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.

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

Seconded Mr P Di Iulio

Carried

Recommendation 2

Moved Ms S Di Blasio

The Audit & Risk Management Committee:

1. Receive and note the Tender Evaluation Panel process and support Cleanaway as the preferred supplier for delivery of a Municipal Solid Waste Processing/Disposal Contract on behalf of Member Councils.
2. Recommends that the East Waste Board reviews the risks and costs associated with the management of the contract.

Seconded Mr P Di Iulio

Carried

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

Seconded Ms S Di Blasio

Carried

10.2 Draft Fleet asset Management Plan & Strategy

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

Recommendation 1

Moved Mr P Di Iulio that pursuant to Section 90(2) and (3)(d) of the *Local Government Act 1999* the East Waste Audit & Risk Management Committee orders that the public, with the exception of the East Waste General Manager, Rob Gregory, East Waste Manager Business Services, David Maywald, East Waste Manager Human Resources and Financial Services, Kelly Vandermoer, East Waste Manager Operational Services, Brian Krombholz and and East Waste Executive Assistant Vanessa Davidson, be excluded from the meeting on the basis that the East Waste Audit & Risk 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.

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

Seconded Ms L Green

Carried

Recommendation 2

Moved Mr P Di Iulio that the Audit & Risk Management Committee recommend to the East Waste Board that the Draft East Waste Fleet Asset Management Plan & Strategy, as presented in Attachment A, is adopted.

Seconded Ms L Green

Carried

Recommendation 3

Moved Ms S Di Blasio that under Section 91(7) and (9) of the *Local Government Act 1999* the Board orders that Appendix 1 be kept confidential until further order.

Seconded Mr F Bell

Carried

11. Other business

Nil.

12. Next meeting of the Audit and Risk Management Committee

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

Wednesday 13 November 2024, commencing 8:00am, in the Boardroom, Thomson Geer,

7/19 Gouger Street, Adelaide

13. Closure of meeting

There being no further business the meeting was closed at 10.10am.

Signed _____

Chairperson

Date ____/____/____

ITEM 9.11 - ATTACHMENT B

East Waste Board Outstanding Resolutions Register - as at 20 September 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	Presented to Board for Endorsement Sept 2024 - Item 9.8
27/06/2024	9.1	Annual Business Plan & Budget Adoption	Moved Cr C Clutterham 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.	COMPLETE
27/06/2024	9.2	Interim Audit Report	Moved Cr T Jennings that the East Waste Board endorses the Interim Audit Management Report and acknowledges all matters of note will be addressed prior to 30 September 2024. Seconded Cr Cclutterham	ONGOING to be completed by 30 December 2024
			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.	ONGOING Loan timing to be matched to vehicle delivery
			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 Seconded Mayor M Jones	ONGOING Loan timing to be matched to vehicle delivery
27/06/2024	9.3	Draft Internal Audit Charter	Moved Mr P Di Iulio that the East Waste 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.	COMPLETE A&R Committee endorsed process for implementation Sept 2024 (refer minutes of A&R Committee)
			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. Seconded Mr D Waters	COMPLETE Budget adjusted in preparation of BR1

27/06/2024	9.4	Annual Review of Items Held in Confidence	Moved Cr C Clutterham that the East Board Waste Board 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.	COMPLETE
27/06/2024	9.5	East Waste Strategic Plan Review – Next Steps	Moved Mayor M Jones that the 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. Seconded Cr T Jennings	ONGOING Communication Plan to be developed as first step
27/06/2024	9.7	Summary of General Manager Performance Indicators	Moved Cr T Jennings that the East Waste Board 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. Seconded Mr S Dilena	COMPLETE 360 Degree review undertaken
27/06/2024	10.1	Tender for Bin Supply and Maintenance	Moved Cr T Jennings that in accordance with Section 91(7) and (9) of the Local Government Act 1999 the Board orders that the report, attachment, discussion and minutes be kept confidential until the contract is executed. Seconded Cr C Clutterham	COMPLETE
27/06/2024	10.2	Supply of Compostable Bags Contract	Moved Cr T Jennings that in accordance with Section 91(7) and (9) of the Local Government Act 1999 the East Waste Board delegates authority to the General Manager of East Waste to release the report, discussion and minutes on finalisation of the contractual agreements. Seconded Mayor M Jones	COMPLETE

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. Accsesibility menu functionality added to website to enable greater inclusion for hearing/visual impaired people.
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.
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 Governement'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
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 engadged to deliver newly developed schools education program and are currently in the process of delivering the educational programs.

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.
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.
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.
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ITEM 9.11 - ATTACHMENT D

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	✓ Item previously presented/endorsed
Board Meeting	Feb 29	May 2	Jun 27	Sep 26	Nov 21	✓ Item included in current meeting Agenda
						• Item deferred to a future meeting
						Item not presented this calendar year

Meeting		Financial						Notes
B	A&R	Budget Review 2	✓					
B	A&R	Draft Annual Plan & Budget Assumptions	✓					
	A&R	Review of Proposed External Audit Work Plan		✓				
B	A&R	Budget Review 3		✓				
B	A&R	Interim Audit Report			✓			
B	A&R	Annual Plan and Budget Endorsement			✓			
B		Review of Confidential Orders			✓			
B	A&R	Draft Audited Financial Statements & Meeting with Auditor				✓		
B	A&R	Regulation 10 Financial Report				✓		
B	A&R	Review of Asset Management Plan				✓		
B	A&R	Draft Annual Report for Endorsement				✓		
B	A&R	Budget Review 1						
B	A&R	Long Term Financial Plan Review						Presentation following endorsement of Asset Management Plan.
B	A&R	Treasury Management Performance Report						
Governance								
B	A&R	Board & Committee Appointments	✓					
B		Annual Education Summary Report			✓			Included in September meeting Agenda.
B		Lodgment of RPD, Primary, and Ordinary Returns						Returns submittedin conjunction with Audit and register retained.
B		General Manager Performance Review						In progress.
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	✓					