



Eastern Waste Management Authority Audit & Risk Management Committee Meeting

Agenda

Wednesday 13 November 2024

Notice is hereby given that a meeting of the East Waste Audit & Risk Management Committee
will be held, in the Boardroom, Thomson Geer,
7/19 Gouger Street, Adelaide
on Wednesday 13 November 2024 commencing at 8am.

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 Audit & Risk Management Committee

Meeting to be held on Wednesday 13 November 2024 commencing at 8am.
in the Boardroom, Thomson Geer, 7/19 Gouger Street, Adelaide.

1. Present

2. Acknowledgement of Country

3. Apologies

4. Declarations of Interest

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

5. Confirmation of the Minutes

Recommendation: 1. That the Minutes of the Eastern Waste Management Authority Ordinary Audit & Risk Management Committee Meeting held on held on 17 September 2024 be confirmed as a true and correct record.

6. Matters arising from the Minutes

7. Questions Without Notice

8. Presentations

9. Reports

9.1	Financial Statements Budget Review One	Page	13
9.2	Review of Long-Term Financial Plan FY2025-2034	Page	21
9.3	Prudential Review - Supply of Collection Vehicles	Page	40
9.4	Review of Delegated Powers	Page	72
9.5	Revised Terms of Reference – Audit and Risk Management Committee	Page	99
9.6	Communication System Upgrade – Customer Service Data Metrics	Page	117
9.7	Proposed Diversity and Inclusion Policy	Page	131
9.8	Treasury Management Performance Report	Page	139

9.9	WHS Action Plan Rebate	Page	142
9.10	Single Use Plastics Review	Page	157
9.11	Board & Committee Performance Evaluations	Page	173
9.12	2025 Proposed Meeting Schedule	Page	185
9.13	Information Report for November 2024	Page	186

10. Confidential Reports

10.1	RFT 2025/07: Cab Chassis Compactors	Page	194
10.2	RFQ 2025/01: Provision of Internal Audit Services Quote Evaluation Report	Page	218

11. Other Business

12. Next Meeting of the Board

The next Ordinary Audit & Risk Management Committee Meeting is proposed to be held on:
Tuesday 18 February 2024, in the Boardroom, Thomson Geer, 7/19 Gouger Street, Adelaide.

13. Closure of Meeting



**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.

These minutes have been signed as a true and correct record of the East Waste Audit & Risk Management Committee Meeting of 17 September 2024.

Chairperson

Date ____/____/____

9.1 Financial Statements – Budget Review One

Report Author Manager Human Resources & Financial Services

Attachments A: Summary Budget Movement Table – Budget Review One
B: Budgeted Statement of Comprehensive Income FY2025
C: Budgeted Balance Sheet FY2025
D: Budgeted Statement of Cash Flow FY2025
E: Budgeted Statement of Changes in Equity FY2025
F: Budgeted Uniform Presentation of Finances FY2025

Purpose and Context

To provide the Audit & Risk Management Committee with an opportunity to review the first review of the budgeted statutory Financial Statements (Budget Review One) for the financial year ending 30 June 2025 as prescribed by the Regulations.

Recommendation

That the Audit & Risk Management Committee notes and accepts the forecasted end of year FY2025 result associated with the 2024/25 Budget Review One and recommends to the East Waste Board for endorsement.

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 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.*

Seconded Mayor M Jones

Carried

Discussion

The first quarter budget review predicts a net surplus of \$56,800, which represents marginal savings expected to materialise throughout the year versus the original adopted FY25 budget. The Audit & Risk Management Committee (Committee) will recall no operating surplus was applied when developing the Budget this year, which is atypical of East Waste's usual budget development

framework. This was to keep annual increases to a minimum whilst still allowing East Waste to fulfill its strategic objectives within the Annual Business Plan.

Adjustments have been made to various key budget lines through Budget Review One to reflect predicted expense and income movements, which is common this time of year. Expenses such as fuel and fleet maintenance remain unpredictable, but stable at this point in time.

Bin Services & Maintenance income and expenditure have been increased, due to taking on the management of Additional Bin Permits for an additional Member Council in FY2025, which was not known at the time of developing the budget. This has a nil impact to the bottom line due to it being a full cost recovery service.

Salaries and wages are tracking as expected this time of year, with employee costs sitting at 23% of overall budget, which is comfortable when analysed at a pay period level. Following the departure of Rob Gregory, General Manager, Administration expects savings in salaries and wages expenditure to materialise in coming months, given the internal appointment of an Acting General Manager, and an adjustment has been made to reflect this. Although, acknowledging East Waste's reduction of Executive staff from four (4) to three (3), an equivalent increase has been applied to the Consultancy line at this point in time, to reflect additional resources that may be required to deliver strategic objectives and ensure efficient day-to-day business operations, while East Waste seeks to appoint a new General Manager.

Fleet replacement costs have been increased by \$65k versus the amount originally budgeted, following confirmation of pricing from truck supplier upon submission of a formal purchase order. Loan proceeds have been increased equally, noting the increase sits within the Board resolution authorising East Waste to borrow funds up to \$2.309m for capital projects and expenditure. Further to this, anticipated building and office upgrades are deemed not likely to go ahead in FY2025, so adjustments have been made accordingly, offsetting the additional truck expenditure.

In addition, an adjustment to reflect the previously Board endorsed budget amendment to the value of \$25k to allow for the appointment of an internal auditor, to undertake an assurance mapping exercise and the development of Internal Audit plan in FY25, has been made accordingly.

Despite that some key operating expenses will continue to remain volatile and largely out of East Waste's control, Administration is committed to the efficient management of income and expenditure through a diligent internal Budget Review process. The summary Budget Movement Table (**refer Attachment A**) provides a high-level budget summary as of 30 September 2024.

ITEM 9.1 - ATTACHMENT A

EAST WASTE

Summary Budget Movement Worksheet

for the Financial Year Ending 30 June 2025

	Actual as at 30 September 2024	Adopted Budget	Proposed Budget (BR1)	Actual YTD / Proposed BR1	Proposed Budget Movement	Comments
Administration Fee	72,605	290,421	290,421	25%	-	
Common Fleet Costing	4,396,572	17,586,287	17,586,287	25%	-	
Processing Income	1,396,927	5,827,332	5,827,332	24%	-	
Bin Services & Maintenance	1,060,866	1,543,605	1,743,000	61%	199,395	Refer to Bin Services & Maintenance expense.
Profit / (Loss) from Disposal	-	80,000	97,000	0%	17,000	Additional income resulting from sale of motor vehicle.
Other Income	85,759	56,000	145,000	59%	89,000	\$12K additional interest revenue and \$77K additional income for Member Council bin trials.
Total	7,012,729	25,383,645	25,689,040		305,395	
Processing Expenses	1,396,852	5,827,331	5,827,331	24%	-	
Bin Service & Maintenance Expenses	1,219,753	1,543,605	1,743,200	70%	199,595	Increase due to onboarding of the management of additional bin services for additional Member Council, not known when developing FY25 budget.
Employee Costs	1,983,504	8,865,297	8,815,297	23%	(50,000)	Decrease in employee costs resulting from part-year vacancy of General Manager's role.
Fleet Maintenance	517,178	1,957,000	1,957,000	26%	-	
Depreciation	653,625	2,706,973	2,702,973	24%	(4,000)	Decrease due to adjustment AASB 16 Leases adjustment and other minor CAPEX adjustments
Interest	125,068	694,000	650,000	19%	(44,000)	Decrease due to adjustment in AASB 16 Leases adjustment (corresponding increase in outgoings per below totalling \$40K) and integration of new LGFA Loan 21 into budget estimates.
Fuel	466,904	2,152,354	2,142,354	22%	(10,000)	
Other Expenses	517,809	1,637,083	1,794,083	29%	157,000	Main factors: Increase \$25K Internal Audit, \$50K Consultancy fees, \$32K Contamination Audits, \$40K offset for AASB 16 adjustment for outgoings (refer above), \$10K Legal fees
Total	6,880,693	25,383,643	25,632,238		248,595	
Net Surplus	132,036	2	56,802		56,800	

Non Operating Cash Flow	Actual as at 30 September 2024	Adopted Budget	Proposed Budget (BR1)	Actual YTD / Proposed BR1	Proposed Budget Movement	
Income						
Proceeds from Sale of Assets	-	80,000	80,000	0%	-	
Proceeds from the Sale of Motor Vehicles	16,563	-	16,563	100%	16,563	Recognise the proceeds from the sale of motor vehicle
Proceeds from Borrowings	-	2,113,500	2,178,600	0%	65,100	Additional funding needed to meet increased truck acquisition costs.
Total	16,563	2,193,500	2,275,163		81,663	
Expenses						
Fleet Replacement Costs	-	2,113,500	2,178,539	0%	65,039	Additional funding needed to meet increase truck acquisition costs.
Motor Vehicle Replacement	43,056	60,000	43,056	100%	(16,944)	Vehicle replacement completed and budget adjusted as acquisition cost was less than originally forecasted.
Office Furniture & Minor Tools	6,780	50,000	50,000	14%	-	
Operations Office Upgrade	-	60,000	-	0%	(60,000)	Project has been deferred and to be reconsidered for FY26.
Plant Replacement	-	25,000	25,000	0%	-	
Repayment of Borrowings - LGFA	423,034	2,065,000	2,065,000	20%	-	
Repayment of Borrowings - Leases	88,045	170,000	200,881	44%	30,881	Adjusted to account for new AASB 16 lease adjustment to recognise new lease as from September 2024
Total	560,915	4,543,500	4,562,476		18,976	
Net Non-Operating Cash Flow	(544,352)	(2,350,000)	(2,287,313)		62,687	

EAST WASTE

Projected Statement of Comprehensive Income (Budgeted)

for the Financial Year Ending 30 June 2025

FY24		FY25	FY25	FY25
Audited		Adopted	BR1	Movement BR1
Actuals		Budget		v Adopted
\$'000		\$'000	\$'000	Budget
				\$'000
	Income			
22,559	User Charges	23,704	23,704	-
66	Investment income	48	60	12
-	Grants, subsidies and contributions	-	-	-
1,574	Other	1,552	1,828	276
24,199	Total	25,304	25,592	288
	Expenses			
8,492	Employee Costs	8,865	8,815	(50)
13,123	Materials, contracts & other expenses	13,118	13,464	346
2,512	Depreciation, amortisation & impairment	2,707	2,703	(4)
442	Finance costs	694	650	(44)
24,569	Total	25,384	25,632	248
(370)	Operating Surplus / (Deficit)	(80)	(40)	40
81	Asset disposals & fair value adjustments	80	97	17
(289)	Net Surplus / (Deficit)	-	57	57
-	Other Comprehensive Income	-	-	-
(289)	Total Comprehensive Income	-	57	57

EAST WASTE

Projected Balance Sheet (Budgeted)

for the Financial Year Ending 30 June 2025

FY24		FY25	FY25	FY25
Audited		Adopted	BR1	Movement BR1
Actuals		Budget		v Adopted
\$'000		\$'000	\$'000	Budget
				\$'000
	Assets			
	Current			
1,634	Cash & Cash Equivalents	2,508	2,135	(373)
1,082	Trade & Other Receivables	746	1,082	336
63	Inventory	43	63	20
2,779	Total	3,297	3,280	(17)
	Non-Current			
11,038	Infrastructure, Property, Plant & Equipment	13,721	13,160	(561)
11,038	Total	13,721	13,160	(561)
13,817	Total Assets	17,018	16,440	(578)
	Liabilities			
	Current			
1,229	Trade & Other Payables	1,227	1,234	7
2,029	Borrowings	2,285	2,485	200
1,011	Provisions	991	1,071	80
4,269	Total	4,503	4,790	287
	Non-Current			
8,546	Borrowings	11,187	10,531	(656)
108	Provisions	256	168	(88)
8,654	Total	11,443	10,699	(744)
12,923	Total Liabilities	15,946	15,489	(457)
894	Net Assets	1,072	951	(121)
	Equity			
894	Accumulated Surplus	1,072	951	(121)
894	Total Equity	1,072	951	(121)

EAST WASTE

PROJECTED STATEMENT OF CASH FLOWS (BUDGET)

for the Financial Year Ending 30 June 2025

FY24		FY25	FY25	FY25
Audited Actuals		Adopted Budget	BR1	Movement BR1 v Adopted Budget
\$'000		\$'000	\$'000	\$'000
Cash Flows from Operating Activities				
Receipts				
23,801	Operating Receipts	25,256	25,532	276
62	Investment Receipts	48	60	12
Payments				
(8,380)	Employee costs	(8,745)	(8,695)	50
(13,141)	Materials, contracts & other expenses	(13,118)	(13,464)	(346)
(481)	Interest Payments	(683)	(645)	38
1,861	Net Cash Flows from Operating Activities	2,758	2,788	30
Cash Flows from Investing Activities				
Receipts				
81	Sale of Replaced Assets	80	97	17
Payments				
(4,040)	Expenditure on Renewal/Replaced Assets	(2,249)	(2,297)	(48)
-	Expenditure of New/Upgraded Assets	(60)	-	60
(3,959)	Net Cash Flows from Investing Activities	(2,229)	(2,200)	29
Cash Flow from Financing Activities				
Receipts				
2,155	Proceeds from Borrowings	2,114	2,179	65
Payments				
(285)	Repayment of Lease Liabilities	(170)	(201)	(31)
(2,091)	Repayment of Borrowings	(2,065)	(2,065)	-
(221)	Net Cash Flow from Financing Activities	(121)	(87)	34
(2,319)	Net Increase (Decrease) in cash held	408	501	93
3,953	Cash & cash equivalents at beginning of period	2,100	1,634	(466)
1,634	Cash & cash equivalents at end of period	2,508	2,135	(373)

EAST WASTE

Projected Statement of Changes in Equity (Budgeted)

for the Financial Year Ending 30 June 2025

FY24		FY25	FY25	FY25
Audited		Adopted	BR1	Movement BR1
Actuals		Budget		v Adopted
\$		\$'000	\$'000	Budget
				\$'000
1,183	Balance at Start of Period - 1 July	1,072	894	(178)
(289)	Net Surplus / (Deficit) for Year	-	57	57
-	Contributed Equity	-	-	-
-	Distribution to Councils	-	-	-
894	Balance at End of Period - 30 June	1,072	951	(121)

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

for the Financial Year Ending 30 June 2025

FY24		FY25	FY25
Audited Actuals		Adopted Budget	BR1
\$'000		\$'000	\$'000
Income			
22,559	<i>User Charges</i>	23,704	23,704
66	<i>Investment income</i>	48	60
-	<i>Grants, subsidies and contributions</i>	-	-
1,574	<i>Other</i>	1,552	1,828
24,199		25,304	25,592
Expenses			
8,492	<i>Employee Costs</i>	8,865	8,815
13,123	<i>Materials, contracts & other expenses</i>	13,118	13,464
2,512	<i>Depreciation, amortisation & impairment</i>	2,707	2,703
442	<i>Finance costs</i>	694	650
24,569		25,384	25,632
(370)	Operating Surplus / (Deficit)	(80)	(40)
Net Outlays on Existing Assets			
(4,040)	<i>Capital Expenditure on Renewal and Replacement of Existing Assets</i>	(2,249)	(2,297)
2,512	<i>Depreciation, Amortisation and Impairment</i>	2,707	2,703
81	<i>Proceeds from Sale of Replaced Assets</i>	80	97
(1,447)		538	503
Net Outlays on New and Upgraded Assets			
-	<i>Capital Expenditure on New and Upgraded Assets</i>	(60)	0
-	<i>Amounts Specifically for New and Upgraded Assets</i>	-	-
-	<i>Proceeds from Sale of Surplus Assets</i>	-	-
-		(60)	0

9.2 Review of Long-Term Financial Plan FY2025-2034

Report Author Manager Human Resources & Financial Services

Attachments A: East Waste Long Term Financial Plan FY2025-2034

Purpose and Context

To provide an opportunity for the East Waste Audit & Risk Management Committee to review and provide input into the draft principles and assumptions of East Waste's FY2025-2034 Long Term Financial Plan.

Recommendation

That the Audit & Risk Management Committee recommends the draft principles and assumptions presented within the draft Long Term Financial Plan (Attachment A, Item 9.2, Audit & Risk Management Committee Meeting 13 November 2024), to the East Waste Board for adoption.

Strategic Link

Objective 5. Provide Leadership

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

Background

Under *Section 122(1)(a) of the Local Government Act 1999*, East Waste is required to develop and adopt a Long Term Financial Plan for a period of at least ten (10) years, which forms part of its suite of Strategic Management Plans. The Long Term Financial Plan (the Plan) was last reviewed and adopted in 2023, and going forward will be reviewed annually via the Audit & Risk Management Committee and Board, following the review of East Waste's Asset Management Plan, and prior to the development of the upcoming Annual Business Plan & Budget.

Discussion

Prior to presenting a final draft of the Plan to the Audit & Risk Management Committee (the Committee) and East Waste Board, careful consideration has been given to the key principles and assumptions that are used to formulate the Plan. An initial draft Long Term Financial Plan is attached within Attachment A (**refer attachment A**) for the Committee's review and input and feedback. Prior to presenting to the Board for endorsement. The key principles and assumptions are as follows:

Principles

- Consistency with East Waste's:
 - Strategic Plan 2030
 - Fleet Asset Management Plan & Strategy 2025-2034;
 - Current Annual Business Plan; and
 - Charter.

- Alignment to East Waste's:
 - Treasury Management Policy;
 - Budget Framework Policy; and
 - Working capital requirements.

High-Level Assumptions

- Varied annual CPI increase ranging from 3.5% -3% assumed across the life of the Plan.
- Assumes no change to Common Fleet Costing allocation to Member Councils throughout the life of the Plan.
- Assumes no change in current service delivery model and/or service standards, and no onboarding of additional Member Councils throughout the life of the Plan.
- Due to uncertainty of waste and behaviour trends, no changes applied to existing waste volume projections.
- Assumes newly entered into 10-year lease Agreement is fixed with no extension factored into the lease calculation at this time.

Operating Income

- Business as usual approach - no change to Membership or service offerings, and 1% operating surplus retained as per Budget Framework Policy, with the exception of year one where no operating surplus was applied (FY25).
- Interest Income calculated based on varied rate from return on estimated annual net cash holdings, from 4% in year two of the Plan decreasing to 2.75% in year ten.
- Profit on disposal of assets assumes \$10,000 sale per waste collection vehicle sold, in line with East Waste's Fleet Asset Management Plan.

Operating Expenses

- Bin supply & maintenance assumes no change to existing service offerings, an annual CPI increase applies across the life of the Plan.
- Assumed interest rates applicable to all new loans across the following financial years:

FY26:	5.00%
FY27:	4.75%
FY28-FY34:	4.50 %
- Fuel expenses have been estimated based on a varying \$/L charge across the life of the Plan, aligned with historic diesel pricing data and in line with Fleet Asset Management Plan. It assumes no change in total volume of fuel used over the life of the Plan consistent with forecasted level/number of services.
- Assumes no additional employees or change to staffing structure across the life of the Plan. Costs increased by CPI over the life of the Plan, in line with the current Enterprise Agreement and historical award increases.
- Fleet Maintenance costs are estimated in line projections as detailed within the current Fleet Asset Management Plan and Strategy, based on number of trucks, age of the vehicle and in line with expected maintenance contracts.

Fleet Replacement

- All trucks have an assumed useful life of 8 years with a residual value of \$10,000 applied to each truck, consistent with Fleet Asset Management Plan & Strategy.

Capital

- Assume that annual expenditure of \$100,000 required on additional other unidentified CAPEX relating to leasehold improvements, motor vehicles and other minor assets will be required.
- All other CAPEX has an assumed useful life of 10-years for depreciation purposes.

Borrowings

- Assume that borrowings are required each year to fund 100% replacement cost of Fleet assets replaced.
- Varied Interest rates applied to borrowings across the life of the Plan.
- Assume all borrowings are 8-year, fixed interest borrowings taken out with the Local Government Finance Authority (LGFA).
- All borrowings commence from October of each financial year and are on 6-monthly P+I repayment schedules.

Feedback will be sought from the Committee at the meeting, and Administration will provide further clarification where required.



Long-Term Financial Plan 2025-2034

October 2024

Contents

● Strategic Context	3
● Introduction	4
● Financial Framework	5
● Risk & Review	7
● Key Economic Assumptions	8
Operating Income	8
Operating Expenses	9
Fleet Replacement	9
Capital Expenditure	9
Borrowings	10
● Appendix – Projected Financial Statements	11
Statement of Comprehensive Income	11
Statement of Financial Position	12
Statement of Changes in Equity	13
Statement of Cash Flows	14
Uniform Presentation of Finances	15

Strategic Context

Under Section 122(1)(a) of the Local Government Act 1999, Councils are required to develop and adopt a Long Term Financial Plan for a period of at least 10 years, which forms part of its suite of strategic documents. As a Council Subsidiary, East Waste is governed by the same legislation, and the development of a Long Term Financial Plan (the Plan) is a strategic component of the East Waste's Strategic Management Framework and supports the delivery of Strategic Plan and assists the Administration in determining financial projections for the proceeding decade.



The Plan has been developed based on a series of assumptions and information provided by East Waste Administration, and the information and assumptions within the adopted FY2025 Annual Plan & Budget and the Fleet Asset Management Plan & Strategy. For full context, this Plan should be read in conjunction with the *2024/25 Annual Business Plan, Fleet Asset Management Plan & Strategy 2025-2034* and East Waste's *Strategic Plan 2030*. The Plan is also closely aligned with East Waste's Charter, Policies and cash-flow requirements.

East Waste's adopted accounting policies have been consistently applied to all assumptions and projections.

The Plan is not designed to provide any investment advice for any capital projects or services that are designed to deliver a financial return to East Waste or its Member Councils.

Introduction

East Waste is a regional subsidiary formed under the *Local Government Act 1999* consisting of eight Adelaide Metropolitan Councils which constitute over 20% of the city's population. The Member Councils of East Waste are:

- Adelaide Hills Council
- City of Burnside
- Campbelltown City Council
- City of Mitcham
- City of Norwood Payneham & St Peters (NPSP)
- City of Prospect
- The City of Unley
- Corporation of the Town of Walkerville.



East Waste is governed by a Charter ([the Charter](#)) pursuant to *Section 43* of the *Local Government Act 1999* and administered by a Board, which includes a director appointed by each Council and an Independent Chair.

As a regional subsidiary, East Waste recognises that success from this Plan is not possible without the continued support, integration and active working partnership of all Member Councils and key Strategic Partners. East Waste is committed to developing and continuing partnerships which ultimately drive value back to the communities it serves. The value East Waste offers is unique, in that Administration are continually working with Member Councils to provide a high value kerbside waste collection service. East Waste has established a model this is nimble and responds swiftly to external impacts and Member Council requests, in a far timelier manner than industry counterparts. East Waste takes much of the worry and pressures associated with waste away from the Member Councils, allowing them to focus on other key matters of importance to them and their communities.

East Waste's Financial Framework

East Waste operates almost entirely on a full user pays and cost recovery service model. The challenge for East Waste is undertaking this in the most efficient and effective manner, while at the same time, advancing the Organisation and operations through the implementation of innovative approaches and technology to ultimately provide Member Councils with high levels of customer confidence and satisfaction.



East Waste funds its operations through a Common Fleet Costing charging method, being fees set through the development of the Annual Business Plan & Budget, inclusive of all East Waste expected annual operating income and expenditure. In line with cash flow requirements, Common Fleet Costing charges are billed to Member Councils on a quarterly basis, in advance, and represents the cost to conduct all core kerbside bin, litter and hard waste collections. The annual Common Fleet Costing charge, in line with the current Budget Framework Policy, includes the application of a 1% operating surplus, acting as an operating buffer, given the unpredictable and volatile nature of some of East Waste's core operating expenses, for example fuel. In FY2025, the 1% operating surplus was not applied to offset other unforeseen expense inflators and keep annual increases to an acceptable level for Member Councils. Albeit, the Plan assumes that the 1% operating surplus is retained, as per the requirements set out in the Budget Framework Policy and has been applied beyond FY25.

Disposal charges are billed to Member Councils monthly, in arrears, and represents the cost of the disposal of collected waste at a processing facility. Tonnes are disposed of and billed at a \$ rate per tonne to East Waste, under an East Waste led contract. Following a robust tonnage reconciliation process by East Waste staff, disposal costs are directly on-charged to the respective Member Council, making it a full cost recovery service. This method is not applicable to all waste streams and/or Member Councils, with some holding direct contracts with disposal facilities, and therefore manage disposal costs internally.

Aside from the core waste activities detailed above, East Waste, where required, manages the issue and renewal of resident additional bin permits, and following an internal reconciliation process, directly reimburses funds to Council on a monthly basis. In addition, East Waste manages the supply and repair of resident bin infrastructure on behalf of Member Councils, utilising a third-party supplier, and recovering costs through monthly billing.

As of FY25, these services are performed on a full cost recovery basis with no management fees applied, and it is assumed there is no change to the Common Fleet Costing model throughout the life of the Plan.

The diagram on following page provides a high-level overview of East Wastes current financial Model.

Core Financial Activities		
Waste Collection	Waste Processing	Other financial activities
Kerbside bin, Litter & Hard Waste Collection Services 	Disposal of collected waste at processing facility 	Management of additional bin permits and hard waste charges on behalf of Member Councils <ul style="list-style-type: none"> • Annual additional bin permit renewals issued by East Waste to residents on behalf of participating Member Councils • Includes fees for additional hard waste collections and new additional bin services • Unique service specific to each participating Council • Funds received and reconciled by East Waste • Funds directly reimbursed to Member Councils monthly in arrears • Currently no fee for service
Common Fleet Charges & Administration Fee Annual fee billed to Member Councils to fund East Waste's operations. <ul style="list-style-type: none"> • Fees set through budget development process and endorsed by Member Councils in conjunction with Annual Business Plan • Calculated in line with Budget Framework Policy • Billed to Member Councils quarterly in advance based on Common Fleet % • Inclusive of all East Waste expected operating income and expenditure Employee Costs Fleet Maintenance & running costs Finance costs Depreciation Interest	Disposal Charges Income and expenditure associated with cost for disposal of waste collected by East Waste for processing, and cost recovery exercise from Member Councils. <ul style="list-style-type: none"> • Billed monthly in arrears, following month end tonnage reconciliation processes • Costs directly on-charged to Member Councils accordingly, through East Waste led disposal contract • Includes unique disposal services undertaken by third party contractors, specific to Council requirements • Includes resident mattresses collection and disposal • Currently no contract management fees apply 	Bin supply, maintenance & repairs <ul style="list-style-type: none"> • Cost and cost recovery associated with purchases of bins and associated infrastructure by Member Councils under East Waste led supplier contracts • Includes deliveries direct from supplier to Member Council facilities • Includes bin repair services and associated parts required, as performed by third party contractor • Directly on-charged to Member Councils monthly in arrears • Currently no fee for service

Risk & Review

This Plan has been developed based on the most up to date information and assumptions available as at the time of preparation. Users of this information should be aware that there are inherent risks associated with the outcomes reported, as circumstances (i.e. change in legislative requirements, market conditions, etc.) may result in changes that could materially affect the outcome and projected results of the Plan.

It is accepted and understood that on-boarding of additional services and changes to the current collection model will undoubtedly occur within the life of the Plan. A highly anticipated change which materialised in FY25 was Member Councils moving to fortnightly waste collections and weekly Organics services. A number of weekly FOGO trials commenced in FY25 in collaboration with East Waste's Member Councils, in effort to achieve higher waste diversion rates. With the success of the trial evident, service changes are likely to continue into the foreseeable future, making waste and behaviour trends difficult to predict with any degree of certainty and confidence. Future updates of the Plan will incorporate any service changes as more information is known.

In addition, East Waste's Board, Audit & Risk Management Committee, and Administration continuously monitor political, economic, social, technological, legal, environmental, and relational factors that may influence future service delivery requirements and financial resources.

To ensure that the Plan is timely and relevant to East Waste's forecasts, it will be reviewed at least once per year in accordance with *Section 122(4)(a)(i) of the Local Government Act 1999*. East Waste will review its Long-Term Financial Plan via the Audit & Risk Management Committee and Board, following the annual review of Fleet Asset Management Plan & Strategy, and ahead of the development of the draft Annual Plan and Budget, to allow for the most relevant financial parameters to be considered.

Key Principles & Assumptions

- Where applicable, annual CPI has been assumed at a varied rate across the life of the Plan, with 3.5% assumed in year 2, and 3% for all remaining years.
- Assumes no change to Common Fleet Costing % allocation to Member Councils throughout the life of the Plan.
- Assumes no change to the current financial model over the life of the Plan.
- Assumes no change in current service delivery model and/or service standards, and no onboarding of additional Member Councils throughout the life of the Plan.
- Given current uncertainty of waste trends and community behaviour as a result of the rollout of multiple Food Organics Green Organics (FOGO) trials in FY25, no increases to waste volumes or additional services have been assumed over the life of the Plan.
- Assumes new 10-year lease Agreement entered into in FY25 at the Ottoway Depot is fixed with no extension factored into the lease calculation at this time.

Operating Income

Income Type	Key Assumptions
Member Council Common Fleet Costing Charges	<ul style="list-style-type: none"> • Based on methodology outlined within adopted Budget Framework Policy. • A 1% Common Fleet Costing Surplus charge has been retained each year in line with the objectives of the Budget Framework Policy, from FY26 onward.
Membership Fee	<ul style="list-style-type: none"> • Based on FY25 budgeted charge, in line with East Waste Budget Framework Policy, with CPI annual increases assumed to each year thereafter.
Bin Supply and Bin Service Income	<ul style="list-style-type: none"> • Full fee recovery activity based on estimated expenses (refer below for key assumptions)
Waste Processing Income	<ul style="list-style-type: none"> • Full fee recovery activity based on estimated annual expenses (refer below for key assumptions).
Interest Income	<ul style="list-style-type: none"> • Income has been calculated assuming an expected reduction of interest rates over time. Rates begin at 4%, reducing to 2.75% in year 10 of the Plan.
Profit on Disposal of Assets	<ul style="list-style-type: none"> • Assumes \$10,000 per truck sold each year in line with replacement schedule within Fleet Asset Management Plan and Strategy.

Operating Expenses

Expense Type	Key Assumptions
Bin Supply and Bin Service Expenses	<ul style="list-style-type: none"> Assuming no change to existing service offerings, an annual CPI increase applies across the life of the Plan.
Waste Processing Fees	<ul style="list-style-type: none"> No increases are assumed to waste volumes, with an annual CPI increase applied across the life of the Plan in line with predicted gate rate increases.
Interest on Borrowings	<ul style="list-style-type: none"> Assumed interest rates applicable to all new loans across the following financial years: <ul style="list-style-type: none"> FY26: 5.00% FY27: 4.75% FY28 – FY34: 4.50 %
Ottoway Lease	<ul style="list-style-type: none"> Assumes current lease is retained for a period of 10-years over the life of the plan, based on the existing terms agreement.
Fuel	<ul style="list-style-type: none"> Fuel expenses have been estimated based on a varying \$/L charge across the life of the Plan. It assumes no change in total volume of fuel used over the life of the Plan consistent with forecasted level/number of services.
Wages & Salaries	<ul style="list-style-type: none"> Employee costs are estimated to increase on FY25 budgeted amounts by CPI over the life of the Plan, in line with the current Enterprise Agreement and historical award increases. No additional staffing is accounted for in line with predicted service offerings.
Fleet Maintenance	<ul style="list-style-type: none"> Fleet Maintenance costs are estimated in line projections as detailed within the current Fleet Asset Management Plan and strategy, based on number of trucks, age of the vehicle and in line with expected maintenance contracts.
All other General Expenses	<ul style="list-style-type: none"> Assume an annual CPI increase in costs, estimated by Administration.

Fleet Replacement

- Fleet Replacement is assumed in line with the fleet replacement schedule within East Waste's *Fleet Asset Management Plan & Strategy FY2025-34*.
- Collection Vehicles are expected to retain a useful life of 8 years, with a residual value of \$10,000 per vehicle, over the life of the Plan.
- All trucks are individually assessed towards the end of life to ensure ultimate optimisation of the asset.

Capital Expenditure

- Assume that annual expenditure of \$100,000 required on additional other unidentified CAPEX relating to leasehold improvements, motor vehicles and other minor assets will be required.
- All other CAPEX has an assumed useful life of 10-years for depreciation purposes.

Borrowings

- It is assumed borrowings are required each year to fund 100% replacement cost of Fleet assets replaced, consistent with existing funding model.
- Interest rates applied to borrowings are assumed to decline marginally from FY25 onwards.
- All borrowings are assumed to remain as eight (8) year, fixed term interest borrowings taken out with the LGFA, in line with the estimated useful life of the asset.
- Within the Plan, all borrowings commence as from October of each financial year and are on 6-monthly P+I repayment schedules.

Over the short, medium and long term life of this Plan, East Waste maintains a strong financial and sustainable position. The East Waste Charter has clear and defined mechanisms when returns to Member Councils will occur, which ensures our financial sustainability is overlaid with fiscal responsibility to our Owners.

The financial statements as detailed within the Appendix (refer Appendix) highlights strong financial sustainability with a target of achieving a modest Operating Surplus each year, with the exception of year one, consistent with Member Council expectations.

Financial Statements FY25-FY34

APPENDIX

East Waste

Long Term Financial Plan (LTFP): FY2025 - FY2034

Projected Statement of Comprehensive Income

	Financial Year									
	1	2	3	4	5	6	7	8	9	10
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Income										
User Charges	23,704	24,983	25,916	26,995	27,920	28,845	29,864	30,896	31,814	32,963
Investment income	48	100	112	117	107	115	112	117	123	126
Grants, subsidies & contributions	-	-	-	-	-	-	-	-	-	-
Other	1,552	1,608	1,656	1,705	1,756	1,808	1,862	1,918	1,975	2,034
Total	25,304	26,691	27,684	28,817	29,783	30,768	31,838	32,931	33,912	35,123
Expenses										
Employee Costs	8,865	9,334	9,614	9,903	10,200	10,506	10,821	11,146	11,480	11,824
Materials, contracts & other expenses	13,118	13,769	14,164	14,597	15,120	15,556	16,140	16,763	17,366	17,968
Depreciation, amortisation & impairment	2,707	2,694	2,945	3,313	3,441	3,677	3,853	3,993	4,044	4,289
Finance costs	694	769	838	874	874	884	860	867	844	864
Total	25,384	26,566	27,561	28,687	29,635	30,623	31,674	32,769	33,734	34,945
Operating Surplus / (Deficit)	(80)	125	123	130	148	145	164	162	178	178
Asset disposals & fair value adjustments	80	60	70	70	60	70	60	70	60	70
Net Surplus / (Deficit)	-	185	193	200	208	215	224	232	238	248
Other Comprehensive Income	-	-	-	-	-	-	-	-	-	-
Total Comprehensive Income	-	185	193	200	208	215	224	232	238	248

East Waste

Long Term Financial Plan (LTFP): FY2025 - FY2034

Projected Statement of Financial Position

	Financial Year									
	1	2	3	4	5	6	7	8	9	10
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Assets										
Current										
Cash & Cash Equivalents	2,508	2,977	3,346	3,557	3,837	4,056	4,242	4,474	4,600	4,888
Trade & Other Receivables	746	746	746	746	746	746	746	746	746	746
Inventory	43	43	43	43	43	43	43	43	43	43
Total	3,297	3,766	4,135	4,346	4,626	4,845	5,031	5,263	5,389	5,677
Non-Current										
Infrastructure, Property, Plant & Equipment	13,721	14,209	15,111	15,619	15,705	16,121	16,057	16,606	16,610	17,187
Total	13,721	14,209	15,111	15,619	15,705	16,121	16,057	16,606	16,610	17,187
Total Assets	17,018	17,975	19,245	19,965	20,331	20,966	21,088	21,869	21,999	22,864
Liabilities										
Current										
Trade & Other Payables	1,227	1,242	1,258	1,275	1,293	1,311	1,331	1,351	1,372	1,394
Borrowings	2,285	2,625	3,137	3,184	3,462	3,656	3,703	3,891	3,925	3,925
Provisions	991	1,053	1,117	1,183	1,251	1,321	1,393	1,467	1,544	1,622
Total	4,503	4,920	5,512	5,642	6,006	6,288	6,427	6,709	6,841	6,941
Non-Current										
Borrowings	11,187	11,480	11,901	12,225	11,951	12,019	11,706	11,899	11,583	12,021
Provisions	256	318	382	448	516	586	658	732	809	887
Total	11,443	11,798	12,283	12,673	12,467	12,605	12,364	12,631	12,392	12,908
Total Liabilities	15,946	16,718	17,795	18,315	18,473	18,893	18,791	19,340	19,232	19,849
Net Assets	1,072	1,257	1,450	1,650	1,858	2,073	2,297	2,529	2,767	3,015
Equity										
Accumulated Surplus	1,072	1,257	1,450	1,650	1,858	2,073	2,297	2,529	2,767	3,015
Total	1,072	1,257	1,450	1,650	1,858	2,073	2,297	2,529	2,767	3,015

East Waste										
Long Term Financial Plan (LTFP): FY2025 - FY2034										
Projected Statement of Changes in Equity										

	Financial Year									
	1	2	3	4	5	6	7	8	9	10
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Balance at Start of Period	1,072	1,072	1,257	1,450	1,650	1,858	2,073	2,297	2,529	2,767
Net Surplus / (Deficit) for Year	-	185	193	200	208	215	224	232	238	248
Contributed Equity	-	-	-	-	-	-	-	-	-	-
Distribution to Councils	-	-	-	-	-	-	-	-	-	-
Balance at End of Period	1,072	1,257	1,450	1,650	1,858	2,073	2,297	2,529	2,767	3,015

East Waste

Long Term Financial Plan (LTFP): FY2025 - FY2034

Projected Statement of Cash Flows

	Financial Year									
	1	2	3	4	5	6	7	8	9	10
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Cash Flows from Operating Activities										
Receipts										
Operating Receipts	25,256	26,591	27,572	28,700	29,676	30,653	31,726	32,814	33,789	34,997
Investment Receipts	48	100	112	117	107	115	112	117	123	126
Payments										
Operating Payments	(21,863)	(22,979)	(23,650)	(24,368)	(25,184)	(25,922)	(26,817)	(27,761)	(28,693)	(29,635)
Interest Payments	(683)	(754)	(822)	(857)	(856)	(866)	(840)	(847)	(823)	(842)
Net Cash Flows from Operating Activities	2,758	2,958	3,212	3,592	3,743	3,980	4,181	4,323	4,396	4,646
Cash Flows from Investing Activities										
Receipts										
Sale of Replaced Assets	80	60	70	70	60	70	60	70	60	70
Payments										
Expenditure on Renewal/Replaced Assets	(2,249)	(3,082)	(3,743)	(3,714)	(3,417)	(3,978)	(3,670)	(4,419)	(3,921)	(4,734)
Expenditure of New/Upgraded Assets	(60)	(100)	(104)	(107)	(111)	(115)	(119)	(123)	(127)	(132)
Net Cash Flows from Investing Activities	(2,229)	(3,122)	(3,777)	(3,751)	(3,468)	(4,023)	(3,729)	(4,472)	(3,988)	(4,796)
Cash Flow from Financing Activities										
Receipts										
Proceeds from Borrowings	2,114	3,082	3,743	3,714	3,417	3,978	3,670	4,419	3,921	4,734
Payments										
Repayment of Borrowings	(2,065)	(2,284)	(2,625)	(3,137)	(3,184)	(3,462)	(3,656)	(3,703)	(3,891)	(3,925)
Repayment of Lease Liability	(170)	(165)	(185)	(206)	(229)	(254)	(280)	(335)	(312)	(371)
Net Cash Flow from Financing Activities	(121)	633	933	371	4	262	(266)	381	(282)	438
Net Increase (Decrease) in cash held	408	469	369	212	279	219	186	232	126	288
Cash & Cash Equivalents at beginning of period	2,100	2,508	2,977	3,346	3,557	3,837	4,056	4,242	4,474	4,600
Cash & Cash Equivalents at end of period	2,508	2,977	3,346	3,557	3,837	4,056	4,242	4,474	4,600	4,888

East Waste

Long Term Financial Plan (LTFP): FY2025 - FY2034

Projected Uniform Presentation of Finances

	Financial Year									
	1	2	3	4	5	6	7	8	9	10
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Income										
<i>User Charges</i>	23,704	24,983	25,916	26,995	27,920	28,845	29,864	30,896	31,814	32,963
<i>Investment income</i>	48	100	112	117	107	115	112	117	123	126
<i>Grants, subsidies & contributions</i>	-	-	-	-	-	-	-	-	-	-
<i>Other</i>	1,552	1,608	1,656	1,705	1,756	1,808	1,862	1,918	1,975	2,034
	25,304	26,691	27,684	28,817	29,783	30,768	31,838	32,931	33,912	35,123
Expenses										
<i>Employee Costs</i>	8,865	9,334	9,614	9,903	10,200	10,506	10,821	11,146	11,480	11,824
<i>Materials, contracts & other expenses</i>	13,118	13,769	14,164	14,597	15,120	15,556	16,140	16,763	17,366	17,968
<i>Depreciation, amortisation & impairment</i>	2,707	2,694	2,945	3,313	3,441	3,677	3,853	3,993	4,044	4,289
<i>Finance costs</i>	694	769	838	874	874	884	860	867	844	864
	25,384	26,566	27,561	28,687	29,635	30,623	31,674	32,769	33,734	34,945
Operating Surplus / (Deficit)	(80)	125	123	130	148	145	164	162	178	178
Net Outlays on Existing Assets										
<i>Capital Expenditure on Renewal and Replacement of Existing Assets</i>	(2,249)	(3,082)	(3,743)	(3,714)	(3,417)	(3,978)	(3,670)	(4,419)	(3,921)	(4,734)
<i>Depreciation, amortisation & impairment</i>	2,707	2,694	2,945	3,313	3,441	3,677	3,853	3,993	4,044	4,289
<i>Proceeds from Sale of Replaced Assets</i>	80	60	70	70	60	70	60	70	60	70
	538	(328)	(728)	(331)	84	(231)	243	(356)	183	(375)
Net Outlays on New and Upgraded Assets										
<i>Capital Expenditure on New and Upgraded Assets</i>	(60)	(100)	(104)	(107)	(111)	(115)	(119)	(123)	(127)	(132)
<i>Amounts Specifically for New and Upgraded Assets</i>	-	-	-	-	-	-	-	-	-	-
<i>Proceeds from Sale of Surplus Assets</i>	-	-	-	-	-	-	-	-	-	-
Net Cash Flow from Financing Activities	(60)	(100)	(104)	(107)	(111)	(115)	(119)	(123)	(127)	(132)
Net Lending / (Borrowing) for the Financial Year	398	(303)	(709)	(308)	121	(201)	288	(317)	234	(329)

EastWaste



1 Temple Court
Ottoway SA 5013



PO Box 26
Mansfield Park SA 5012



08 8347 5111



east@eastwaste.com



EastWasteSA



@East_Waste



East Waste - Eastern Waste
Management Authority



eastwaste.com.au

9.3 Prudential Review – Supply of Collection Vehicles

Report Author Acting General Manager

Attachments A: Collection Vehicle Tender Prudential Review Report
B: East Waste Prudential Review Policy

Purpose and Context

Recommendation

That the Audit & Risk Management Committee:

- 1. is satisfied, having reviewed the Collection Vehicle Tender Project Prudential Report, that it adequately documents the financial and other risks associated with the tender and contract process, as per the requirements of Section 48 of the Local Government Act 1999;***
- 2. recommends the draft prudential report as presented in the Collection Vehicle Tender Prudential Review Report (Item 9.3, Attachment A, Audit & Risk Management Committee Meeting 13 November 2024) is presented to the East Waste Board to assist in their decision-making process.***

Strategic Link

Objective 5. Provide Leadership

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

Background

In accordance with Section 48 of the *Local Government Act 1999* (the Act), East Waste, as a regional subsidiary, is required to conduct a prudential review for activities involving substantial financial outlay or heightened risk. With an estimated financial cost exceeding \$4 million (indexed) over the next three (3) years, the collection vehicle tender project meets the criteria set out in the Act, mandating a prudential review.

Therefore, Dean Newbery & Partners were engaged as an independent third party to lead the development of this review (**Attachment A**), working closely with East Waste Administration on elements such as the Risk Register, risk ratings, and other technical components. This review has been completed in strict accordance with Section 48(2) of the Act and East Waste's Prudential Review Policy (**Attachment B**) to provide a comprehensive assessment of financial, risk, and management considerations.

The prudential review is intended to aid the East Waste Audit & Risk Management Committee and the East Waste Board in evaluating the viability of the project prior to any endorsement of the open tender process. Ideally, this review would have been presented before the tender's release; however, logistical constraints required East Waste Administration to seek legal guidance from

Kelley Jones. Their advice confirmed that presenting the prudential review at the same meeting as the tender decision is appropriate, provided the tender documentation specifies that project commencement is conditional upon final Committee and Board approval.

Report

The prudential review and the associated Tender Evaluation Panel Report (Report 10.1 in this agenda) for the Supply of Collection Vehicles are now presented for consideration by the Committee.

Given the project's straightforward nature, Administration and the Tender Evaluation Panel believe that review and feedback from the Committee will facilitate a timely decision-making process.

Kelley Jones' guidance also underscores that any contractual agreements with the successful tenderer must reflect the condition that project initiation is subject to the Committee's and Board's final determination on the prudential review outcomes. Additionally, provisions for potential adjustments to the project scope, as informed by the review findings, should be explicitly stated to ensure compliance and transparency.



Eastern Waste Management Authority

Collection Vehicle Tender Project

Section 48 Local Government Act 1999 Prudential Report

November 2024

Dean Newbery

214 Melbourne Street

North Adelaide SA 5006

www.deannewbery.com.au

DRAFT

Disclaimer: This document is for the exclusive use of the person/organisation named on the front of this document. This document must not be relied upon by any person/organisation who is not the Recipient. Dean Newbery does not take responsibility for any loss, damage or injury caused by use, misuse or misinterpretation of the information in this document by any person who is not the Recipient.

This document may not be reproduced in whole or in part without permission.

Liability limited by a scheme approved under Professional Standards Legislation

Dean Newbery

Chartered Accountants

214 Melbourne Street North Adelaide SA 5006

ABN 48 007 865 081

Contents

1.	Introduction	5
2.	Project Outline	6
3.	Key Project Risks	9
4.	Section 48(2)(a) - the relationship between the project and relevant strategic management plans	10
4.1	Project Alignment – Strategic Plan 2020 -2030 (Strategic Plan)	10
4.2	Project Alignment – Fleet Asset Management Plan & Strategy 2025 – 2034	10
5.	Section 48(2)(b) - the objectives of the Development Plan in the area where the project is to occur.....	10
5.1	Development Approval	10
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	11
6.1	Contribution of the Project to Economic Development.....	11
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	12
7.1	Community Consultation	12
7.2	Consultation – Member Councils	12
8.	Section 48(2)(e) - if the project is intended to produce revenue, revenue projections and potential financial risks	12
8.1	Revenue Projections from the Project.....	12
8.2	Potential Financial Risks.....	12
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.....	14
9.1	Operation & Financial Overview	14
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	16
10.1	Financial Viability of the Project	16
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	16
11.1	Risk Management	16
12.	Section 48(2)(i) - the most appropriate mechanism or arrangements for carrying out the project.....	17

12.1	Project Delivery.....	17
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 <i>Land Valuers Act 1994</i>	17
13.1	Disposal of Properties	17
14.	Conclusion.....	18
15.	Attachment One – Project Risk Register.....	19

DRAFT

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 Collection Vehicle Tender 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 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.
- 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, expected commercial/market rates and procurement 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 East Waste manages a fleet of 57 collection vehicles specifically designed to collect residential kerbside waste collection services. This includes the collection of Member Council kerbside litter bins and residential hard waste collection services.

2.1.2 As of July 2024, East Waste owns and operates the following composition of collection vehicles within its fleet of trucks:

2.1.2.1 50 x Robotic Arm Collection Vehicles (**RACV**)

2.1.2.2 4 x Rear Lift Trucks

2.1.2.3 3 x Rear Loader Trucks

2.1.3 The Project is for East Waste to approach the open market through a Request for Tender (**RFT**) process to engage a supplier that can supply any one of the following:

2.1.3.1 Cab Chassis

2.1.3.2 Compactor Bodies

2.1.3.3 Both Cab Chassi and Compactor Bodies

2.1.4 As part of the RFT process, potential suppliers are being asked to nominate which of the supply options they wish to tender for.

2.1.5 The proposed term of the agreement is for an initial 3-year term with the option of a 2-year extension.

2.1.6 The contract with the new supplier is expected to commence as from January 2025 with the initial order of collection vehicles to be received in early FY26.

2.1.7 Based on the information contained in the *Fleet Asset Management Plan & Strategy 2025 – 2034 (Fleet AMPS)*, East Waste estimated to spend \$10.539 million between FY26 – FY28 which represents the initial 3-year period of the new contract.

2.1.8 Should the contract be extended for a further 2-year term, the total estimated value of the spend would increase to \$17.934 million (being the total spend over a 5-year maximum contract period).

2.1.9 East Waste released a RFT in October 2024 and intend to provide a recommendation to the Audit & Risk Committee and Board of the preferred supplier(s) at their respective November 2024 meetings to be held.

2.1.10 It is expected that this Prudential Report will be presented at the same meetings of the Audit & Risk Committee and Board as noted in 2.1.8 above.

2.1.11 East Waste is to enter into and manage the contract(s) directly.

- 2.1.12 It is expected that the RACV vehicles will meet a minimum useful life expectancy of 8 years with Rear Lift and Rear Loader trucks having an minimum estimated useful life of 10-years.
- 2.1.13 In line with East Waste's Budget Framework Policy, funding the acquisition cost of all collection vehicles replacement is expected to be by way of fixed term external loans (Principle 8).
- 2.1.14 External borrowings are held with the Local Government Finance Authority (**LGFA**) and it is expected that this arrangement will remain over the term of the Project – including for all new loans required to acquire new collection vehicles.
- 2.1.15 East Waste has prepared an updated draft 10-year Long Term Financial Plan 2025 – 2034 (**LTFP**) which is expected to be presented to the Audit & Risk Committee and Board at their respective November 2024 meetings to be held. The Project has been reflected in the financial assumptions and projections included in the draft LTFP.
- 2.1.16 The Project does not require any additional staff or external contractor resources to either administer or manage the Project given that the scope of the Project is to replace existing ageing assets within its existing fleet.
- 2.1.17 Given that the Administration has existing experience in managing similar project (noting that this Project is a renewal of an existing contract currently managed by the Administration), East Waste can be confident that the Administration has the necessary industry and operational experience to appropriately manage the Project.

DRAFT

2.2 Outstanding Project Matters identified by the Prudential Review

- 2.2.1 The East Waste Board have yet to consider and adopt the revised LTFP which incorporates the Project.
- 2.2.2 Consultation with Member Council's has yet to occur relating to the updated draft LTFP.
- 2.2.3 Contractual agreements for the engagement of the preferred supplier(s) for the purposes of this Project will need to be prepared.
- 2.2.4 East Waste's Audit & Risk Management Committee and Board have yet to receive and consider the Project Risk Register.
- 2.2.5 Consultation and approval to proceed with the Project from the Board has yet to be addressed.
- 2.2.6 Presentation and consideration of the outcomes of the RFT process has yet to be undertaken by the Audit & Risk Management Committee and/or Board.
- 2.2.7 **In discussions with East Waste's Administration, it is expected that all of the above outstanding matters will be addressed as part of future work to be undertaken by the Administration in relation to this Project.**

DRAFT

3. Key Project Risks

3.1 Summary of Key Project Risks identified by the Prudential Review

- 3.1.1 Collection vehicles purchased do not meet desired/required service standards which impacts on East Waste's ability to meet service standard demands of its Member Councils.
- 3.1.2 Insolvency event for supplier(s) results in an inability to purchase replacement collection vehicles as/when required.
- 3.1.3 Insolvency event for supplier(s) result in inability to claim on warranties and/or obtain major repairs (if required) on faulty vehicles.
- 3.1.4 Supplier(s) are unable to deliver collection vehicles within specified timeframes which results in additional costs to East Waste servicing a fleet with older collection vehicles.
- 3.1.5 East Waste's Manager Operational Services is not available and/or the role is vacant for an extended period of time which results in limited internal capacity to manage waste collection fleet operations and/or supplier(s) connected with this Project.
- 3.1.6 Forecasted costs within the draft LTFP are understated which result in increased costs to Member Councils than forecasted (some of which are outside of East Waste's control relating to fuel prices and interest rates on borrowings) to acquired and/or operate collection vehicles.
- 3.1.7 New alternate technology options become available which results in the current fleet becoming obsolete prior to the end of their expected useful lives due to not meeting industry and/or Member Council's service standards.

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 A review of East Waste’s Strategic Plan noted that there is no direct reference and/or strategy relating to the management/operation of the waste collection vehicles.
- 4.1.2 The Strategic Plan has a strong focus on objectives and strategies that are linked to service outcomes and not directly relating to the management of those services (i.e. the waste collection vehicles).
- 4.1.3 In discussing this matter with the Administration, it has been noted that this matter will be considered as part of future review and updates of the Strategic Plan.

4.2 Project Alignment – Fleet Asset Management Plan & Strategy 2025 – 2034

- 4.2.1 The Project has a direct link to the Fleet AMPS and has been referenced within the document as an activity to be undertaken by East Waste.
- 4.2.2 Per page 13 of the Fleet AMPS, it states “*East Waste’s current contract is due to expire in February 2025, and in early FY2025 Administration will conduct a tender process to secure a new supplier agreement to meet the requirements set out in this Plan*”.
- 4.2.3 The financial projections relating to the forecasted acquisition and operating costs have been integrated in the updated draft LTFP.

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 In discussion with the Administration, there has been consideration around whether any suppliers can be sought from businesses who conduct business within a Member Council's local area. This has not however been factored into the evaluation criteria for the purposes of the RFT.
- 6.1.2 Given that the Project is a direct continuation of an existing service, there is no data or additional information available for the purposes of preparing this Report to assess whether the Project will have any contribution to the economic development of the Member Council's local area.
- 6.1.3 Given the RFT evaluation is still being finalised as at the time of preparing this Report, there is no information available to undertake an assessment on the economic impact the Project will have as it is unknown who the potential supplier(s) will be.
- 6.1.4 If local supplier(s) are chosen, this may have positive economic benefits which should be considered as part of the overall assessment when selecting a preferred supplier.
- 6.1.5 It is recognized that alternative technologies may be more readily available in the future, which may lead to the development of new local industries (as well as impact existing established industries). This however has not been factored into the Project as the replacement of collection vehicles is expected to be undertaken on a 'like-for-like' basis.
- 6.1.6 Given the nature of the Project and the matters raised above, this matter has not been considered further for the purposes of this Report.

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 East Waste has also not undertaken any consultation of its draft LTFP with the incorporation of this Project with its Member Councils and is a matter that requires to be addressed.
- 7.2.2 In discussions with the Administration, we note that the above matters are expected to be addressed.

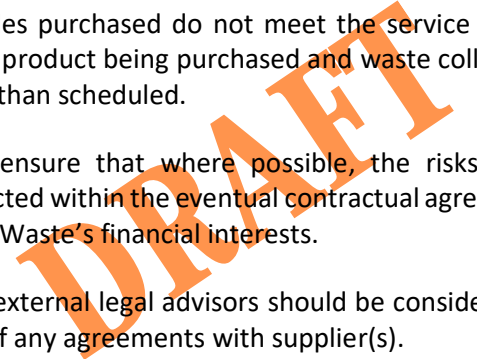
8. Section 48(2)(e) - if the project is intended to produce revenue, revenue projections and potential financial risks

8.1 Revenue Projections from the Project

- 8.1.1 The acquisition of the waste collection vehicles per this Project is not an expansion and/or change to any of the existing services currently offered by East Waste. It is not expected that the acquisition of the waste collection vehicles per this Project will provide any additional service capacity or change the utilisation of the existing fleet vehicles.
- 8.1.2 Should East Waste wish to provide additional services to existing Member Councils and/or to alternate customers in the future, it may require the acquisition of additional waste collection vehicles. Should this occur, then a separate, stand-alone business case for any new additional services should be considered.
- 8.1.3 East Waste will recover the cost of running all waste collection vehicles in line with its existing Common Fleet Cost methodology formula.
- 8.1.4 The updated draft LTFP incorporates the projected Common Fleet Costs required for the 10-year period modelled to recover the costs of running and operating the fleet of waste collection vehicles.

8.2 Potential Financial Risks

- 8.2.1 The Project Risk register developed by the Administration has not identified any residual High financial risks associated with the Project.

-
- 8.2.2 Given that the Project is the renewal of an existing contract/service that East Waste manages, the Administration has a strong appreciation of the financial risks involved with the Project.
- 8.2.3 A summary of key financial risks associated with the Project which has been reflected in the Project Risk Register are as follows:
- 8.2.3.1 Price of collection vehicles are higher than forecasted in the Fleet AMPS and draft LTFP.
 - 8.2.3.2 Interest rates are higher than forecasted in the draft LTFP.
 - 8.2.3.3 Running/operating costs associated with waste collection vehicles are higher than forecasted in the Fleet AMPS and draft LTFP.
 - 8.2.3.4 Insolvency event of supplier(s) results in additional costs to manage and/or replace waste collection vehicles.
 - 8.2.3.5 Supplier(s) are unable to deliver replacement vehicles within specified timeframes which results in additional financial costs to East Waste to manage ageing fleet vehicles.
 - 8.2.3.6 Collection vehicles purchased do not meet the service standard requirements which result in inferior product being purchased and waste collection vehicles requiring to be replaced earlier than scheduled.
- 8.2.4 East Waste should ensure that where possible, the risks noted need to be carefully considered and reflected within the eventual contractual agreements held with contractor(s) so as to protect East Waste's financial interests.
- 8.2.5 The engagement of external legal advisors should be considered to assist with this process prior to the signing of any agreements with supplier(s).
- 

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 Operation & Financial Overview

9.1.1 East Waste's Fleet AMP provides data relating to the service standard objectives, rates of utilisation and the estimated lifecycle costs of waste collection vehicles.

9.1.2 Per the Fleet AMP, the total estimated lifecycle operating costs have been summarised as follows:

Estimated lifecycle operating costs

	Service	Estimated Total Useful Life (Years)	Estimated Total Running & Maintenance Costs over Total Useful Life
Kerbside RACV	Kerbside Collections	8	\$660,995
Rear Lift	Litter Bins & MUD Collections	10	\$515,307
Rear Loader	Hard Waste Collections	10	\$657,848

**Running cost estimates exclude depreciation and finance costs.*

Reference: Fleet AMP, pg.12

9.1.3 Over a proposed maximum 5-year timeframe, per the Fleet AMP, East Waste has assumed the following collection vehicles will require to be purchased:

Financial Year	Collection Vehicles to be Purchased	Estimated Annual Replacement Cost
FY26	4 x 29M RACV Collection Vehicles 2 x 23M RACV Collection Vehicles	\$3.082 million
FY27	3 x 23M RACV Collection Vehicles 3 x 29M RACV Collection Vehicles 1 x Hard Waste Rear Loader	\$3.743 million
FY28	4 x 29M RACV Collection Vehicles 2 x 23M RACV Collection Vehicles 1 x Rear Loader Litter Truck	\$3.714 million

Financial Year	Collection Vehicles to be Purchased	Estimated Annual Replacement Cost
FY29	3 x 29M RACV Collection Vehicles	\$3.417 million
	3 x 23M RACV Collection Vehicles	
FY30	4 x 29M RACV Collection Vehicles	\$3.978 million
	2 x 23M RACV Collection Vehicles	
	1 x Rear Loader Litter Truck	
Total	18 x 29M RACV Collection Vehicles	\$17.934 million
	12 x 23M RACV Collection Vehicles	
	1 x Hard Waste Rear Loader	
	2 x Rear Loader Litter Truck	

9.1.4 The above acquisition costs have been reflected in East Waste's draft LTFP.

9.1.5 The key financial considerations relating to the Project have been summarised below:

Key Assumption	Description	Description
	(3 Year Contract Term)	(5 Year Contract Term)
Total Collection Vehicles Purchased	20	33
Total Estimated Replacement Cost	\$10.539 million	\$17.934 million
Residual Value	\$10,000 per collection vehicle	
Method of Depreciation	Straight Line Depreciation	
Estimates Useful Lives	RACV Collection Vehicles – 8 Years	
	Rear Loader Vehicles – 10 Years	
Source of Funding	Fixed interest, 8-year LGFA loans	

9.1.6 The financial assumptions noted in the above table have been factored into the draft LTFP.

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 has a number of financial risks which have been outlined within this Report where the financial performance and/or position of East Waste can be adversely impacted by outside economic factors and/or poor management of the waste collection vehicles.
- 10.1.2 The Project is not a new activity or service which East Waste is offering to existing Member Councils given it represents the renewal of an existing external supplier agreement.
- 10.1.3 In section 8.2 of this Report, a number of potential financial risks have been highlighted which can adversely impact on the financial performance and/or position of East Waste which the Board and Administration need to ensure they are continually monitoring to ensure any adverse events are identified and addressed on a timely manner.
- 10.1.4 Ongoing monitoring and review of East Waste's financial operations through the quarterly budget review process as well as the regular update of the LTFP are controls in operations that ensure regular oversight of the financial risks noted within this Report are carried out.

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 developed for the Project by the Administration which identifies 1 residual High risk for the Project relating to Risk 3 being – *A Supplier provides a cheaper/significantly inferior option which the Board endorses.*
- 11.1.4 Additionally, the Project has 4 residual risks assessed as being Medium which all have financial implications to the financial performance of East Waste should mitigating controls not operate as intended.
- 11.1.5 The risks noted above for the Project have not been considered by the Audit & Risk Management Committee or Board given the Project Risk Register has not been presented for review as at the time of preparing this Report.

- 11.1.6 East Waste's Manager Operational Services will be responsible for the day-to-day oversight and management of waste collection vehicles. This includes the monitoring and scheduling of maintenance programs, repairs and ordering of replacement vehicles.
- 11.1.7 As at the time of preparing this Report, East Waste's Administration was undertaking an evaluation of the RFT responses submitted for the Project.
- 11.1.8 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 is completed.
- 11.1.9 The presentation of the Project Risk Register to the Audit & Risk Management Committee and Board remains an outstanding matter to be addressed.

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

12.1 Project Delivery

- 12.1.1 As previously noted, 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 at their respective November 2024 meetings.
- 12.1.2 The Tender Evaluation Panel has been selected from internal staffing resources. A report prepared by the Administration on the RFT process and outcomes is expected to be presented to the Audit & Risk Management Committee and Board at their respective November 2024 meetings.
- 12.1.3 East Waste's Manager Operational Services will be responsible for the ongoing direct management of the supplier(s). This is a role that this officer currently undertakes as part of their existing roles and responsibilities.
- 12.1.4 The Project will be delivered in accordance with East Waste's Charter, adopted policies and procedures.

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 does not include the sale of any land and therefore no further consideration of this section has been undertaken.

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* for East Waste.
- 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 the proposed waste collection vehicles to be purchased by East Waste under the Project is the optimum financial return and/or investment 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.**

DRAFT

15. Attachment One – Project Risk Register

DRAFT

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 budget increases and LTFP projections	Contractual/Legal	<ul style="list-style-type: none"> Reputational loss to East Waste Financial Impact to Member Councils. 	Procurement Policy & Process	Possible	Moderate	Medium	<ul style="list-style-type: none"> Continued assessment and oversight of market. Market well understood and stable. Competitive market 	Unlikely	Minor	Low
2	Participating Council(s) exit East Waste during the term of the contract, leaving East Waste with a surplus of trucks	Contractual/Legal	<ul style="list-style-type: none"> Reputational loss to East Waste Financial exposure of funding model. 	<ul style="list-style-type: none"> Charter Service Level Agreements 	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> Long lead time with exiting East Waste via Charter requirements. Fleet Asset Management Plan has rolling renewal, providing flexibility. Contract doesn't commit to delivery (out clause) 	Unlikely	Minor	Low
3	A Supplier provides a cheaper/significantly inferior option which Board endorses.	Contractual/Legal	<ul style="list-style-type: none"> Vehicles not reliable. Vehicles not capable of required performance Service delivery not guaranteed. Higher than expected maintenance costs - Vehicles have shorter than anticipated life 	Tender Evaluation Panel has all key internal stakeholders represented.	Very Likely	Major	Extreme	<ul style="list-style-type: none"> Detailed assessment criteria and process. 	Possible	Moderate	High

Number	Risk Description	Risk Category	Consequences	Existing Internal Controls	Likelihood	Consequence	Inherent Risk	Additional Controls	Likelihood (after additional controls applied)	Consequence	Forecasted Risk
4	Vehicles purchased do not meet desired specifications and/or service standards?	Contractual/Legal	<ul style="list-style-type: none"> Vehicles not reliable Vehicles not capable of required performance Service delivery not guaranteed Vehicles do not meet required/requested safety standards 	<ul style="list-style-type: none"> Clear requirements listed within Tender documents Relationships established with key recipients who understand our requirements Tender Evaluation panel with broad skillset established prior to tender submitted. 	Unlikely	Major	High	<ul style="list-style-type: none"> Detailed assessment criteria and process Detailed Receipt and Possession process 	Rare	Minor	Low
5	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 Alternate suppliers able to step in to ensure vehicle supply Short term capability within the fleet. 	<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. Existing relationships with alternate suppliers to facilitate alternate delivery 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	Supplier is unable to deliver vehicles in timeframe required/promised.	Contractual/Legal	<ul style="list-style-type: none"> Financial cost to East Waste maintaining and running older vehicles. Impacts longer term on future replacement and changeover processes. 	<ul style="list-style-type: none"> Long lead time and planning built into process. Tender documents seeks Business Continuity options. 	Possible	Major	Extreme	<ul style="list-style-type: none"> Seek to contract with known and reputable Organisations. Existing relationships with alternate suppliers to facilitate alternate delivery if required. 	Unlikely	Minor	Low
7	Poor management of contract by EW results in adverse financial losses to Member Councils.	Contractual/Legal	<ul style="list-style-type: none"> Reputational loss to East Waste. Financial Impact to Member Council. Fracturing of Membership 	<ul style="list-style-type: none"> Good Contract management system 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. 	Unlikely	Minor	Low
8	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. All key internal stakeholders participating in the TEP. Strong TEP Chair 	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> Inclusive approach of all key internal stakeholders throughout process. Final decision-making rests with East Waste Board 	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
9	No Tenders are received for the proposed services	Contractual/Legal	<ul style="list-style-type: none"> Inability to hold contract Increased maintenance costs Impacts to LTFF. 	<ul style="list-style-type: none"> Historical Competitive market Key players aware of. Tender Release and interest shown. 	Unlikely	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
10	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 managed Assessment of requirements well understood by East Waste 	Possible	Major	Extreme	<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
11	Member Council does not approve fleet purchase in Annual Plan	Financial	<ul style="list-style-type: none"> East Waste funding for replacement of vehicles is reduced, or will fall to Member Councils who approved Annual Plan East Waste cannot replace vehicles and meet its Fleet Replacement Schedule 	<ul style="list-style-type: none"> Replacement program clear in Strategic Plan and Annual Plans Clear communication with Member Councils. 	Possible	Major	Extreme	<ul style="list-style-type: none"> Annual Plan approved by East Waste Board and previous Annual Plans have been endorsed by all Member Councils Member Council awareness of East Waste operating a safe, efficient and reliable fleet. 	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
12	Interest rates on borrowings are projected to be lower than actual rates included in LTFP	Financial	<ul style="list-style-type: none"> Borrowings are higher than projected, therefore affecting Member Council budget considerations and forecasting Reputational damage to East Waste 	<ul style="list-style-type: none"> Market closely analysed and regularly reviewed. Advise sought from Local Government Finance LTFP has future projections for guidance. 	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> Fixed loans currently taken out on all borrowings, guaranteeing clarity of repayments across the life of the loan. 	Unlikely	Minor	Low
13	Borrowing requirements not approved by LGFA	Financial	<ul style="list-style-type: none"> Trucks unable to be purchased therefore negating ability to deliver required service. Reputational damage to East Waste 	<ul style="list-style-type: none"> Clear understanding of LGFA Requirements and Processes. Strong engagement and relationship with LGFA 	Unlikely	Moderate	Medium	<ul style="list-style-type: none"> Utilise private lender if required. 	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
14	Trucks do not meet expected lifecycle standards and required to be replaced earlier than forecasted?	Financial	<ul style="list-style-type: none"> Increased service delivery costs to Member Councils Reputational damage for East Waste Increased replacement costs Fleet Asset Management Plan & LTFP requiring significant overhaul 	<ul style="list-style-type: none"> Strong understanding of vehicles, makes/models and those suitable for service delivery. Warranties sought on cab & chassis provided key assurance timeframe Large fleet providing flexibility for small number of failures/issues. 	Unlikely	Major	High	<ul style="list-style-type: none"> Regular maintenance & servicing to ensure vehicles maintained in best possible condition Biennial independent safety checks assess all aspects of the truck Spare/maintenance vehicles kept on site for emergency requirements 	Possible	Minor	Medium

Number	Risk Description	Risk Category	Consequences	Existing Internal Controls	Likelihood	Consequence	Inherent Risk	Additional Controls	Likelihood (after additional controls applied)	Consequence	Forecasted Risk
15	Greater number of trucks are required to be purchased than forecasted due to change in operational needs	Financial	<ul style="list-style-type: none"> Inability to meet service demand Potential increased costs to member Councils Reputational damage to East Waste 	<ul style="list-style-type: none"> Staged and consistent vehicle replacement policy, allowing for a flexibility of purchase of service without impacting costs too. Contract allows ability to increase number of truck purchases each year. Full cost recovery model, so ability to alter amend cost recovery annually 	Possible	Moderate	High	<ul style="list-style-type: none"> Regular communication and engagement with Councils, allows appropriate planning. Volumes and waste disposal trends closely monitored. -Additional hours and days (i.e. Saturdays) can be incorporated short term if required. Spare vehicles incorporated into fleet Ability to hire vehicles Ability to subcontract if required. 	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
16	New alternate technology options become available which change expected service standards of councils and/or stakeholders?	Financial	<ul style="list-style-type: none"> Reputational damage to East Waste East Waste service delivery seen as antiquated Retained fleet obsolete Inability for East Waste to pivot. 	<ul style="list-style-type: none"> Regular communication with Member Councils Close monitoring of markets and trends Annual Business Plan provides flexibility to East Waste to pivot as per Member Council desires. 	Possible	Moderate	High	<ul style="list-style-type: none"> Contract has no minimum order requirements beyond Year 1 	Unlikely	Minor	Low

DRAFT

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.

9.4 Review of Delegated Powers

Report Author Executive Officer

Attachments A: Instrument of Delegations

Purpose and Context

Delegations are the way in which the East Waste Board enables other people/bodies (usually Administration) to undertake duties or exercise powers on behalf of the Authority. A comprehensive review of all delegations has been undertaken and the purpose of this report is to revoke older versions of the delegations, and then to provide updated Instruments of Delegation for adoption by the East Waste Board.

Kelley Jones Lawyers have recommended that the Audit & Risk Management Committee review the proposed powers of delegation prior to their presentation to the East Waste Board.

Delegations Framework

Recommendations

1. That the Audit & Risk Management Committee notes that a comprehensive review of Council's Instruments of Delegation has been conducted in accordance with section 44(6a) of the Local Government Act 1999.
2. That the Audit & Risk Management Committee recommends that the East Waste Board hereby revokes its previous delegations to the General Manager of those powers and functions under the following legislation and subordinate legislation where indicated in the Instruments:
 - i. Environment Protection (Waste to Resources) Policy 2010
 - ii. Local Government Act 1999
 - iii. Work Health Safety Act 2012.
3. That the Audit & Risk Management Committee recommends that the East Waste Board in exercise of the power contained in section 44(1) of the Local Government Act 1999 delegates the powers and functions under the following Acts and subordinate legislation, where specified in the proposed Instruments of Delegation contained in the attached Instruments of Delegation, with the exception of those powers and functions identified as 'Not delegated', to the person occupying the office of General Manager (and any person appointed to act in that position) subject to the conditions and or limitations specified herein or in the Schedule of Conditions in each such proposed Instrument of Delegation included as attachments to this report.
 1. Environment Protection (Waste to Resources) Policy 2010
 2. Local Government Act 1999

3. Work Health Safety Act 2012.

- 4. That the Audit & Risk Management Committee note that such powers and functions may be further delegated by the Chief Executive Officer as the Chief Executive Officer sees fit and in accordance with the relevant legislation unless otherwise indicated herein or in the Schedule of Conditions contained in the proposed Instrument of Delegation.**

Strategic Link

Objective 5. Provide Leadership

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

Background

Section 44 of the *Local Government Act 1999* (the LG Act) allows Council to delegate a power or function vested or conferred upon by the LG Act or another Act. Such powers and functions may be further delegated by the person occupying the office of General Manager in accordance with Sections 44 and 101 of the LG Act as the General Manager sees fit. A delegation made pursuant to Section 44 of the Act is revocable at will and does not prevent the East Waste Board (the Board) from acting in a matter.

The East Waste Board have certain duties which they must perform, and certain powers which they may exercise, pursuant to the LG Act, as well as a range of other Acts. In most cases the relevant Acts grant those obligations and powers directly on the Board as a body.

Delegations are the way in which the Board enables other people/bodies (usually Administration) to undertake these duties or exercise these powers on its behalf and enhance the decision-making processes and allow nominated routine matters to be resolved efficiently and effectively without the need for submission to the Board. However, to do this, the Board must take formal steps to delegate to such people and bodies, the authority to make decisions, or undertake activities on its behalf. It is usual for the Board to make delegations to the General Manager who will then make sub-delegations to the appropriate officers of the Administration.

Discussion

As this is the first delegations review in some time a clean sweep approach to the delegation review is being taken and all of the delegations will be revoked by the East Waste Board and remade with new updated instruments. The instruments being revoked and remade are included in Attachment A to this report and are listed below:

- Environment Protection (Waste to Resources) Policy 2010 (Appendix1)
- Local Government Act 1999 (Appendix 2)
- Work Health Safety Act 2012 (Appendix 3).

Financial Delegations

As part of the remaking of the delegations under the LG Act, it is proposed that the delegations contained within the Financial Delegations Policy will be incorporated into the sub-delegations made by the General Manager, authorising staff to:

- a) authorise purchase requisitions up to their individual financial delegation limit; and
- b) authorise expenses, invoices and payments up to their individual financial delegation limit.

This is standard practice in many councils as it consolidates powers and functions into one register making it easier for employees to understand the limitations of their authority.

The delegations document presented to the Audit & Risk Management Committee for consideration only contains the head delegation authorising the expenditure of budgeted funds to the General Manager, who will then sub-delegate the power to expend funds to staff through the sub-delegation instruments to staff. The change in how the financial delegations are managed means that the Financial Delegations Policy will be rescinded and the financial limits will be incorporated, initially in line with the existing policy, but may be altered to meet East Waste's operational requirements in the future, in the sub-delegations made by the General Manager, allowing flexibility to increase or decrease financial delegations as required without the need to continually review the policy and gain approval from Council to amend any of the limits.

This approach will also remove the need to maintain a separate register of financial delegations as these will be included in the instruments of sub-delegation made by the General Manager. Through sub-delegation the General Manager extends his authority to expend the Board's approved budgeted funds to staff members.

It should be noted that delegations provided to the General Manager may be sub-delegated to other officers, as the General Manager sees fit, except where the delegation conditions or legislation prevents this from occurring.

The existence of Delegations does not prevent the Board from acting in any matter.

The revocation and remaking of the Board's delegations is the final step of the review which is required by the LG Act following a general election. If required the Board may be requested to revoke and remake its delegations following annual reviews to ensure that the instruments reflect any legislative changes.

2.	INSTRUMENT OF DELEGATION TO THE CEO
-----------	--

Except where otherwise specified, in the exercise of the powers contained in Section 44 of the *Local Government Act 1999* and in accordance with the resolution made by the Board of the Eastern Waste Management Authority (the Board of the Authority) on the 29 October 2024 the following powers and functions provided under Section 2 of this document are delegated by the Board to the person occupying the office of the General Manager of the Eastern Waste Management Authority (the Delegate) and extend to any person appointed to act in the position of General Manager, and the Delegate is authorised to further delegate these powers and functions in accordance with Section 44 and Section 101 of the *Local Government Act 1999* as the Delegate sees fit, unless otherwise indicated within this Instrument of Delegation or the Charter of the Authority. The sub-delegations made by the Delegate in this Instrument extend to any person who is appointed to Act in the position of the sub-delegate.

Note:

- Any powers and functions that listed, but are to remain with the Board, are recorded as *'Not Delegated'*.

APPENDIX 1

ENVIRONMENT PROTECTION (WASTE TO RESOURCES) POLICY 2010	
Delegated Power	Conditions
1. The function pursuant to Clause 10(2) in order to facilitate the proper management of waste to be collected under Clause 10(1)(b) of the Policy, to provide a weekly kerbside waste collection service (other than for recyclable waste or vegetative matter) in respect of residential premises within its area.	
1. The function pursuant to Clause 15(2)(a) to provide a receptacle or waste collection service for the kerbside collection of listed waste.	
2. The function pursuant to Clause 16(1)(a) to collect medical waste produced in the course of prescribed activity.	
3. The function pursuant to Clause 17(2) to Comply with prescribed requirements in respect of medical waste received by the Council	
4. The function pursuant to Clause 18(1)(a) to provide a receptacle or service for the collection of sharps by a kerbside waste collection service	

SCHEDULE OF CONDITIONS

**CONDITIONS OR LIMITATIONS APPLICABLE TO DELEGATIONS
CONTAINED IN THIS INSTRUMENT**

Paragraph(s) in instrument to which conditions/limitations apply	Conditions / Limitations
	NIL

APPENDIX 2

**INSTRUMENT OF DELEGATION UNDER THE
LOCAL GOVERNMENT ACT 1999**

NOTES

1. Conditions or Limitations: conditions or limitations may apply to the delegations contained in this Instrument. Refer to the Schedule of Conditions at the back of this document.
2. Refer to the relevant Council resolution(s) to identify when these delegations were made, reviewed and or amended.

POWERS AND FUNCTIONS DELEGATED IN THIS INSTRUMENT

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
1. General Powers and Capacities	
1.1 The power pursuant to Section 36(1)(a)(i) of the Act to enter into any kind of contract or arrangement where the common seal of the Authority is not required.	See below
1.2 The power pursuant to Section 36(1)(c) of the Act to do anything necessary, expedient or incidental but within any policy or budgetary constraints set by the Authority to perform or discharge the Authority's functions or duties or to achieve the Authority's objectives.	
2. Provision Relating to Contract and Transactions	
2.1 The power pursuant to Section 37(b) of the Act to enter into contracts or to authorise another officer, employee or agent of the Authority to enter into contracts, on behalf of the Authority, where the common seal of the Authority is not required.	
3. Delegations by the Board of the Authority	
3.1 The function pursuant to Section 44(6) of the Act to cause a separate record to be kept of all delegations under the Act.	
4. Commercial Activities	
4.1 Subject to the Act, the power pursuant to Section 46(1) of the Act to, in the performance of the Authority's functions, engage in a commercial activity or enterprise ('a commercial project').	
4.2 The power pursuant to Section 46(2) of the Act, to, in connection with a commercial project:	NOT DELEGATED

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
4.2.1 establish a business;	
4.2.2 participate in a joint venture, trust, partnership or other similar body,	
5. Interests in Companies	
5.1 The power pursuant to Section 47(2)(b) of the Act to participate in the formation of, or to become a member of a company limited by guarantee established as a national association to promote and advance the interests of an industry in which local government has an interest.	
6. Prudential Requirements	
6.1 The power and function pursuant to Section 48(aa1) of the Act and in accordance with Section 48(a1) of the Act, to develop and maintain prudential management policies, practices and procedures for the assessment of projects to ensure that the Authority -	
6.1.1 acts with due care, diligence and foresight; and	
6.1.2 identifies and manages risks associated with a project; and	
6.1.3 makes informed decisions; and	
6.1.4 is accountable for the use of Council and other public resources.	
6.2 The function pursuant to Section 48(a1) of the Act to ensure the prudential management policies, practices and procedures developed by the Authority for the purposes of Section 48(aa1) of the Act, are consistent with any regulations made for the purposes of Section 48(a1) of the Act.	
6.3 Without limiting Section 48(aa1) of the Act, the power and function pursuant to Section 48(1) of the Act to obtain and consider a report, that addresses the prudential issues set out at Section 48(2) of the Act, before the Board of the Authority:	
6.3.1 engages in any project (whether commercial or otherwise and including through a subsidiary or participation in a joint venture, trust, partnership or other similar body) -	
6.3.1.1 where the expected operating expenses	

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
calculated on an accrual basis of the Authority over the ensuring five years is likely to exceed 20 per cent of the Authority's average annual operating expenses over the previous five financial years (as shown in the Authority's financial statements); or	
6.3.1.2 where the expected capital cost of the project over the ensuing five years is likely to exceed \$4,000,000.00 (indexed); or	
6.3.1.3 where the Board of the Authority or Delegate considers that it is necessary or appropriate.	
7. Contracts and Tenders Policies	
7.1 The function pursuant to Section 49(a1) of the Act to develop and maintain procurement policies, practices and procedures directed towards:	
7.1.1 obtaining value in the expenditure of public money; and	
7.1.2 providing for ethical and fair treatment of participants; and	
7.1.3 ensuring probity, accountability and transparency in procurement operations.	
7.2 Without limiting Section 49(a1) of the Act, the power and function pursuant to Section 49(1) of the Act to prepare policies on contracts and tenders including policies on the following: 7.2.1 the contracting out of services; and 7.2.2 competitive tendering and the use of other measures to ensure that services are delivered cost effectively; and 7.2.3 the use of local goods and services; and 7.2.4 the sale or disposal of land or other assets.	
7.3 The power and function pursuant to Section 49(2) of the Act to ensure that any policies on contracts and tenders: 7.3.1 identify circumstances where the Authority will call for tenders for the supply of goods, the provision of	

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
<p>services or the carrying out of works, or the sale or disposal of land or other assets; and</p> <p>7.3.2 provide a fair and transparent process for calling tenders and entering into contracts in those circumstances; and</p> <p>7.3.3 provide for the recording of reasons for entering into contracts other than those resulting from the tender process.</p> <p>7.3.4 are consistent with any requirement prescribed by the regulations.</p>	
<p>7.4 The power pursuant to Section 49(3) of the Act to, at any time, alter a policy under Section 49 of the Act, or substitute a new policy or policies (but not so as to affect any process that has already commenced).</p>	NOT DELEGATED
8. Reimbursement of Certain Expenses	
<p>8.1 The power pursuant to Section 77(1)(b) of the Act to reimburse to members of the Board of the Authority expenses of a kind prescribed for these purposes and approved by the Board (either specifically or under a policy established by the Board for these purposes) incurred in performing or discharging official functions and duties.</p>	
9. Insurance of Members	
<p>9.1 The power pursuant to Section 80 of the Act to take out a policy of insurance insuring every member of the Board of the Authority and a spouse, domestic partner or another person who may be accompanying a member of the Council, against risks associated with the performance or discharge of official functions and duties by members.</p>	
10. Committee Meetings	
<p>10.1 The power pursuant to Section 87(1) of the Act to determine the times and places of ordinary meetings of Board of Authority committees.</p>	NOT DELEGATED
11. Application of Division	
<p>11.1 The power pursuant to Section 111(b) of the Act to declare any other officer, or any other officer of a class, to be subject to the operation of Chapter 7, Part 4, Division 1 of the Act.</p>	
12. Behavioural Standards	

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
12.1 The power under section 120A(1) of the Act to prepare and adopt employee behavioural standards.	NOT DELEGATED
12.2 The power under section 120A(4) to alter or substitute employee behavioural standards.	NOT DELEGATED
12.3 The power under section 120A(5) of the Act to consult with any registered industrial association that represents interests of employees before adopting, altering or substituting employee behavioural standards.	
12.4 The power under section 120A(6)(a) of the Act to Review the operation of the employee behavioural standards.	
12.5 The power under section 120A(6)(b) of the Act to consider whether to adopt employee behavioural standards within 6 months of a periodic election.	NOT DELEGATED
13. Certain Aspects of Strategic Management Planning	
13.1 The function pursuant to Section 122(1) of the Act to develop for consideration and adoption by the Authority strategic management plans for the Authority over a period of at least 4 years in accordance with the principles set out at Section 122(1), (2) and (3) of the Act.	
13.2 In conjunction with the development of the plans required under Section 122(1) of the Act, the function pursuant to Section 122(1a) of the Act to develop in accordance with Section 122(2) and (3) of the Act for consideration and adoption by the Board of the Authority—	
13.2.1 a long-term financial plan for a period of at least 10 years; and	
13.2.2 an infrastructure and asset management plan, relating to the management and development of infrastructure and major assets by the Authority for a period of at least 10 years.	
13.3 In conjunction with the development of the plans required under Section 122(1) of the Act, within the prescribed period, to	
13.3.1 provide information relating to long-term financial plan and infrastructure and asset management plan to designated authority in accordance with Section 122(1c) of the Act;	
13.3.2 provide to the designated authority all relevant information on the matters specified in this section in	

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
<p>accordance with guidelines determined by designated authority in accordance with Section 122(1e) of the Act;</p> <p>13.3.3 ensure advice provided by designated authority and any response of a Member Council is published in the Council's annual business plan (draft and adopted) in the relevant financial year and subsequent financial year (until next relevant financial year) in accordance with section 122(1h) of the Act;</p> <p>13.3.4 provide to the designated authority within time and in manner specified in notice information the designated authority reasonably requires in accordance with Section 122(1j) of the Act.</p>	
14 Accounting Records to be Kept	
<p>14.1 The function pursuant to Section 124(1) of the Act to:</p> <p>14.1.1 keep such accounting records as correctly and adequately record and explain the revenues, expenses, assets and liabilities of the Authority;</p> <p>14.1.2 keep the Authorities accounting records in such manner as will enable—</p> <p>14.1.1.1 the preparation and provision of statements that fairly present financial and other information; and</p> <p>14.1.1.2 the financial statements of the Authority to be conveniently and properly audited.</p>	
<p>14.2 The power pursuant to Section 124(2) to determine the form or forms and the place or places (within the state) to keep the accounting records of the Authority.</p>	
15 Internal Control and Audit Committee	
<p>15.1 The function pursuant to Section 125 of the Act to ensure that appropriate policies, practices and procedures of internal control are implemented and maintained in order to assist the Authority to carry out its activities in an efficient and orderly manner, to achieve its objectives, to ensure adherence to management policies, to safeguard the Authority's assets and to secure (as far as possible) the accuracy and reliability of the Authority's records.</p>	

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
15.2 The power pursuant to Section 126(1) of the Act to appoint an audit committee in accordance with Section 126(2) of the Act.	NOT DELEGATED
16 Financial Statements	
16.1 The function pursuant to Section 127(1) of the Act to prepare for each financial year: 16.1.1 financial statements and notes in accordance with standards prescribed by the regulations; and 16.1.2 other statements and documentation referring to the financial affairs of the Authority required by the Regulations.	
16.2 The function pursuant to Section 127(2) of the Act to ensure that the financial statements prepared for the Authority pursuant to Section 127(1) of the Act— 16.2.1 are prepared as soon as is reasonably practicable after the end of the relevant financial year and in any event before the day prescribed by the Regulations; and 16.2.2 comply with standards and principles prescribed by the Regulations; and 16.2.3 include the information required by the Regulations.	
16.3 The function pursuant to Section 127(3) of the Act to submit for auditing by the Authority's auditor the statements prepared for each financial year.	
16.4 The function pursuant to Section 127(4) of the Act to submit a copy of the auditor's statements to the persons or bodies prescribed by the Regulations on or before the day prescribed by the Regulations.	
17 The Auditor	
17.1 The power pursuant to Section 128(2) of the Act to appoint an auditor on the recommendation of the relevant audit committee.	

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
<p>17.2 The function pursuant to Section 128(9) of the Act to ensure that the following information is included in the Council's annual report:</p> <p>17.2.1 information on the remuneration payable to the Authority's auditor for work performed during the relevant financial year, distinguishing between—</p> <p>17.2.2 remuneration payable for the annual audit of the Authority's financial statements; and</p> <p>17.2.2.1 other remuneration;</p> <p>17.2.2.2 if a person ceases to be the auditor of the Council during the relevant financial year, other than by virtue of the expiration of his or her term of appointment and is not being reappointed to the office—the reason or reasons why the appointment of the Council's auditor came to an end.</p>	
18 Conduct of Audit	
<p>18.1 The function pursuant to Section 129(9) of the Act to ensure the opinions under Section 129(3) of the Act provided to Authority under Section 129 of the Act accompany the financial statements of the Authority.</p>	
19 Investigations	
<p>19.1 The power pursuant to and in accordance with Section 130A(1) and (2) of the Act, as the Delegate thinks fit, to request the Authority's auditor, or some other person determined by the Delegate to be suitably qualified in the circumstances, to examine and report on any matter relating to financial management, or the efficiency and economy with which the Authority manages or uses its resources to achieve its objectives, that would not otherwise be addressed or included as part of an annual audit under Division 4 of Chapter 8 of the Act and that is considered by the Delegate to be of such significance as to justify an examination under this Section.</p>	
<p>19.2 Unless Section 130A(7) of the Act applies, the function pursuant to Section 130A(6) of the Act to place the report prepared pursuant to Section 130A(1) of the Act on the agenda for consideration:</p> <p>19.2.1 unless Section 130A(6)(b) of the Act applies—at the next ordinary meeting of the Board of the Authority in accordance with Section 130A(6)(a) of the Act;</p>	

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
19.2.2 if the agenda for the next ordinary meeting of the Board has already been sent to members of the Board at the time that the report is provided to the principal member of the Board—at the ordinary meeting of the Board next following the meeting for which the agenda has already been sent unless the principal member of the Board determines, after consultation with the General Manager , that the report should be considered at the next meeting of the Authority as a late item on the agenda in accordance with Section 130A(6)(b) of the Act.	
20 Administrative Standards	
<p>20.1 The power pursuant to Section 132A of the Act to ensure that appropriate policies, practices and procedures are implemented and maintained in order –</p> <p>20.1.1 to ensure compliance with any statutory requirements; and</p> <p>20.1.2 to achieve and maintain standards that reflect good administrative practices.</p>	
21 Sources of Funds	
21.1 Subject to the Act, the power pursuant to Section 133 of the Act to obtain funds as permitted under this or another Act and as may otherwise be appropriate in order to carry out the Authority's functions under this or another Act, by –	See below
21.2 selling property;	
21.3 by leasing or hiring out property;	
21.4 by obtaining grants or other allocations of money other than by borrowing;	
21.5 by carrying out commercial activities;	
21.6 by recovering fees, charges, penalties or other money payable to the Council.	
22 Expenditure of Funds	
22.1 Subject to the Act or another Act, the power pursuant to Section 137 of the Act, to expend the Authority's approved budgeted funds, in the exercise, performance or discharge of the Authority's powers, functions or duties under the Act or other Acts.	See below

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
23 Investment Powers	
23.1 The power pursuant to Section 139(1) of the Act to invest money under the Authority's control.	
<p>23.2 The function pursuant to Section 139(2) of the Act in exercising the power of investment, to:</p> <p>23.2.1 exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of other persons; and</p> <p>23.2.2 avoid investments that are speculative or hazardous in nature.</p>	
<p>23.3 The power pursuant to Section 139(3) of the Act to take into account when exercising the power of investment, so far as is appropriate in the circumstances and without limiting the matters which may be taken into account, the following matters—</p> <p>23.3.1 the purposes of the investment;</p> <p>23.3.2 the desirability of diversifying the Authority's investments;</p> <p>23.3.3 the nature of and risk associated with existing the Authority's investments;</p> <p>23.3.4 the desirability of maintaining the real value of the capital and income of the investment;</p> <p>23.3.5 the risk of capital or income loss or depreciation;</p> <p>23.3.6 the potential for capital appreciation;</p> <p>23.3.7 the likely income return and the timing of income return;</p> <p>23.3.8 the length of the term of a proposed investment;</p> <p>23.3.9 the period for which the investment is likely to be required;</p> <p>23.3.10 the liquidity and marketability of a proposed investment during, and on determination of, the term of the investment;</p> <p>23.3.11 the aggregate value of the assets of the Authority;</p> <p>23.3.12 the likelihood of inflation affecting the value of a proposed investment;</p> <p>23.3.13 the costs of making a proposed investment;</p> <p>23.3.14 the results of any review of existing Authority investments.</p>	
23.4 Subject to the matters specified in Section 139(3) of the Act, the power pursuant to Section 139(4) of the Act, so far as may be appropriate in the circumstances, to have regard	

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
<p>to—23.4.1 the anticipated community benefit from an investment; and</p> <p>23.4.2 the desirability of attracting additional resources into the local community.</p>	
<p>23.5 The power pursuant to Section 139(5) of the Act to obtain and consider independent and impartial advice about the investment of funds or the management of the Authority's investments from the person whom the Delegate reasonably believes to be competent to give the advice.</p>	
24 Review of Investment	
<p>24.1 The function pursuant to Section 140 of the Act to review the performance (individually and as a whole) of the Authority's investments, at least once in each year and the function to report to the Board on the outcome of the review.</p>	
25 Gifts to the Authority	
<p>25.1 Within the confines of Section 44(3) of the Act:</p>	
<p>25.1.1 the power pursuant to Section 141(1) of the Act to accept a gift made to the Authority ;</p>	
<p>25.1.2 the power pursuant to Section 141(2) of the Act to carry out the terms of any trust (if any) that affects a gift to the Authority;</p>	
<p>25.1.3 the power pursuant to Section 141(3) of the Act to apply to the Supreme Court for an order varying the terms of a trust for which the Authority has been constituted a trustee;</p>	
<p>25.1.4 where a variation is sought in the terms of a trust, the function pursuant to Section 141(4) of the Act to give notice describing the nature of the variation by public notice and in any other such manner as may be directed by the Supreme Court.</p>	
26 Function to Insure Against Liability	
<p>26.1 The power pursuant to Section 142 of the Act to take out and maintain insurance to cover the Authority's civil liabilities at least to the extent prescribed by the Regulations.</p>	

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
27 Writing off Bad Debts	
<p>27.1 The power pursuant to Section 143(1) of the Act to write off any debts owed to the Authority—</p> <p>27.1.1 if the Authority has no reasonable prospect of recovering the debts; or</p> <p>27.1.2 if the costs of recovery are likely to equal or exceed the amount to be recovered,</p> <p>up to and including an amount of \$5,000.00 in respect of any one debt.</p>	
<p>27.2 The function pursuant to Section 143(2) of the Act to ensure that no debt is written off unless the General Manager has certified—</p> <p>27.2.1 reasonable attempts have been made to recover the debt; or</p> <p>27.2.2 the costs of recovery are likely to equal or exceed the amount to be recovered.</p>	
28 Recovery of Amounts due to the Authority	
<p>28.1 The power pursuant to Section 144(1) of the Act to recover as a debt, by action in a Court of competent jurisdiction, any fee, charge, expense or other amount recoverable from a person or payable by a person under this or another Act.</p>	
<p>28.2 The power pursuant to Section 144(2), (3) and (4) of the Act to recover any fee, charge, expense or other amount as if it were a rate declared on the property, after giving at least 14 days' notice requiring payment, where the fee, charge, expense or other amount payable to the Authority relates to something done in respect of rateable or other property.</p>	
29 Business Plans and Budgets	
<p>29.1 The function pursuant to Schedule 2, Clause 24 of the Act to prepare an annual business plan in accordance with the principles and requirements set out at Schedule 2, Part 24(6),) of the Act for consideration and adoption by the Member Councils</p>	
<p>29.2 The function pursuant to Schedule 2, Clause 25 of the Act to prepare a budget in accordance with the requirements set out at Schedule 2, Clause 25 (2) of the Act for consideration and adoption by the Member Councils.</p>	
<p>29.3 The function pursuant to Schedule 2, Clause 25(4) that a subsidiary may incur, for the purpose of a genuine</p>	

LOCAL GOVERNMENT ACT 1999	
Delegated Power	Condition
emergency or hardship, spending that is not authorised by its budget.	
30 Annual Report of the Authority	
30.1 The function to pursuant to Schedule 2, Clause 28 of the Act to, on or before 30 September in each year subsequent to the financial year to which the report relates, furnish to the Member Councils, a report on the work and operations of the Authority for the preceding financial year.	

Local Government Act 1999

SCHEDULE OF CONDITIONS

CONDITIONS OR LIMITATIONS APPLICABLE TO DELEGATIONS CONTAINED IN THIS INSTRUMENT

Paragraph(s) in instrument to which conditions/limitations apply	Conditions / Limitations
1 General Powers and Capacities	<p>The ability to enter into contracts is limited by the Authorisation limits for Purchase Requisition Amounts found in the delegations for section 137 of the Act.</p> <p>The power to expend funds in the performance or discharge of the Board's powers, functions or duties in accordance is limited to funds allocated as part of a budget adopted by the Board.</p>
2 Provision Relating to Contract and Transactions	<p>The ability to enter into contracts is limited by the Authorisation limits for Purchase Requisition Amounts found in the delegations for section 137 of the Act.</p> <p>The power to expend funds in the performance or discharge of the Board's powers, functions or duties in accordance is limited to funds allocated as part of a budget adopted by the Board.</p>
21 Sources of Funds	<p>The power to obtain funds does not extend to borrowing money or obtaining other forms of financial accommodation or fixing or varying fees under sections 188(1)(d) to 188(1)(h) of the Local Government Act.</p>
22 Expenditure of Funds	<p>Subject to the Act, the Eastern Waste Management Authority Charter or another Act, the power pursuant to Section 137 of the Act, to expend the Authority's approved budgeted funds, in the exercise, performance or discharge of the Boards powers, functions or duties under the Act or other Acts to the amounts listed as follows:</p> <p>Financial Delegation: \$250,000</p> <p>EFT Transaction Authorisation Limit: \$3,000,000</p> <p>Credit Card Authorisation Limit: \$8,000</p>
Note:	<p>Clause 11.2 of the Eastern Waste Management Authority Charter forbids the power to enter into transactions in excess of \$50 000 unless authorised in an Annual Plan.</p>

APPENDIX 3

INSTRUMENT OF DELEGATION UNDER THE WORK HEALTH AND SAFETY ACT 2012

NOTES

1. Conditions or Limitations: conditions or limitations may apply to the delegations contained in this Instrument. Refer to the Schedule of Conditions at the back of this document.
2. Refer to the relevant Council resolution(s) to identify when these delegations were made, reviewed and or amended.

POWERS AND FUNCTIONS DELEGATED IN THIS INSTRUMENT

1. Determination of work groups	Conditions
1.1 The power pursuant to Section 51(1) of the <i>Work Health and Safety Act 2012</i> (the Act), to, if a request is made under Section 50 of the Act, facilitate the determination of one or more work groups of workers.	
2. Negotiations for agreement for work group	
2.1 The power pursuant to Section 52(1) of the Act, and in accordance with Sections 52(2), (3) and (6) of the Act, to determine a work group by negotiation and agreement with the workers who will form the work group or their representatives.	
2.2 The power pursuant to Section 52(4) of the Act to, in relation to an agreement concerning the determination of a work group or groups, at any time, negotiate a variation of the agreement in accordance with Section 52(6) of the Act.	
3. Failure of negotiations	
3.1 The power pursuant to Section 54(1) of the Act to, if there is a failure of negotiations (including negotiations concerning the variation of an agreement), ask the regulator to appoint an inspector for the purposes of Section 54 of the Act.	
4 Determination of work groups of multiple businesses	
4.1 The power pursuant to Section 55(2) of the Act to determine the particulars of the work groups by negotiation and agreement, in accordance with Section 56 of the Act, between each of the persons conducting the businesses or undertakings and the workers.	
4.2 The power pursuant to Section 55(3) of the Act to, in relation to an agreement concerning the determination of a	

work group or groups, at any time, negotiate a variation of the agreement.	
5 Negotiation of agreement for work groups of multiple businesses	
5.1 The power pursuant to Section 56(3) of the Act to, if agreement cannot be reached on a matter relating to the determination of a work group (or a variation of an agreement) within a reasonable time after negotiations commence under Subdivision 3 of Division 3, Part 5 of the Act, ask the regulator to appoint an inspector to assist the negotiations in relation to that matter.	
6 Withdrawal from negotiations or agreement involving multiple businesses	
6.1 The power pursuant to Section 58(1) of the Act to, in relation to a negotiation for an agreement, or an agreement, concerning a work group under Subdivision 3 of Division 3, Part 5 of the Act, withdraw from the negotiation or agreement at any time by giving reasonable notice (in writing) to the other parties.	
6.2 The power pursuant to Section 58(2) of the Act to, if a party withdraws from an agreement concerning a work group under Subdivision 3 of Division 3, Part 5 of the Act, negotiate a variation to the agreement in accordance with Section 56 of the Act.	
7 Disqualification of health and safety representatives	
7.1 The power pursuant to Section 65(1) of the Act, to make an application to SAET to disqualify a health and safety representative on the ground that the representative has:	
7.1.1 exercised a power or performed a function as a health and safety representative for an improper purpose; or	
7.1.2 used or disclosed any information he or she acquired as a health and safety representative for a purpose other than in connection with the role of health and safety representative,	
where the Authority is adversely affected by the exercise of a power or the performance of a function referred to in Section 65(1)(a) of the Act or the use or disclosure of information referred to in Section 65(1)(b) of the Act.	

8 General obligations of person conducting business or undertaking	
8.1 The power pursuant to Section 70(1) of the Act, to	
8.1.1 consult, so far as is reasonably practicable, on work health and safety matters with any health and safety representative for a work group of workers carrying out work for the Authority; and	
8.1.2 confer with a health and safety representative for a work group, whenever reasonably requested by the representative, for the purpose of ensuring the health and safety of the workers in the work group; and	
8.1.3 allow any health and safety representative for the work group to have access to information that the Council has relating to:	
8.1.3.1 hazards (including associated risks) at the workplace affecting workers in the work group; and	
8.1.3.2 the health and safety of the workers in the work group; and	
8.1.4 with the consent of a worker that the health and safety representative represents, allow the health and safety representative to be present at an interview concerning work health and safety between the worker and:	
8.1.4.1 an inspector; or	
8.1.4.2 the Authority or the Authority's representative; and	
8.1.5 with the consent of one or more workers that the health and safety representative represents, allow the health and safety representative to be present at an interview concerning work health and safety between a group of workers, which includes the workers who gave the consent, and:	
8.1.5.1 an inspector; or	
8.1.5.2 the Authority or the Authority's representative; and	
8.1.6 provide any resources, facilities and assistance to a health and safety representative for the work group that are reasonably necessary or prescribed by the regulations to enable the representative to exercise	

his or her powers or perform his or her functions under the Act.	
8.1.7 allow a person assisting a health and safety representative for the work group to have access to the workplace if that is necessary to enable the assistance to be provided; and	
8.1.8 permit a health and safety representative for the work group to accompany an inspector during an inspection of any part of the workplace where a worker in the work group works; and	
8.1.9 provide any other assistance to the health and safety representative for the work group that may be required by the regulations.	
9 Exceptions for obligations under Section 70(1)	
9.1 The power pursuant to Section 71(5) of the Act to refuse on reasonable grounds to grant access to the workplace to a person assisting a health and safety representative for a work group.	
10 Obligation to train health and safety representatives	
10.1 The power pursuant to Section 72(1) of the Act to, consult with a health and safety representative in relation to the health and safety representative attending a course of training in work health and safety that is subject to Section 72(6), chosen by the health and safety representative.	
10.2 The power pursuant to Section 72(3) of the Act to:	
(a) as soon as practicable within the period of 3 months after the request is made, allow the health and safety representative time off work to attend the course of training; and	
(b) pay the course fees and any other reasonable costs associated with the health and safety representative's attendance at the course of training.	
10.3 The power pursuant to Section 72(6) of the Act to, if agreement cannot be reached between the Authority or the Authority's delegate and the health and safety representative within the time required by Section 72(3) of the Act as to the matters set out in Sections 72(1)(c) and (3) of the Act, ask the regulator to appoint an inspector to decide the matter.	

11 Obligation to share costs if multiple businesses or undertakings	
11.1 The power pursuant to Section 73(1) of the Act to, if a health and safety representative, or deputy health and safety representative (if any), represents a work group of workers carrying out work for the Authority and one or more other person conducting businesses or undertakings, agree that:	
11.1.1 the costs of the representative exercising powers and performing functions under the Act; and	
11.1.2 the costs referred to in Section 72(3)(b) of the Act,	
for which the Authority or any of the other persons conducting those businesses or undertakings are liable, are to be apportioned between each of those persons otherwise than equally.	
11.2 The power pursuant to Section 73(2) of the Act, to vary an agreement to apportion the costs in another way, at any time by negotiation and agreement between each of the persons conducting the businesses or undertakings.	
12 Health and safety committees	
12.1 The power pursuant to Section 75(2) of the Act to, establish a health and safety committee for the workplace or part of the workplace.	
13 Constitution of committee	
13.1 The power pursuant to Section 76(1) of the Act and subject to Sections 76(2) to (4) of the Act, to agree the constitution of a health and safety committee with the workers at the workplace.	
13.2 The power pursuant to Section 76(5) of the Act to, if agreement is not reached under Section 76 within a reasonable time, ask the regulator to appoint an inspector to decide the matter.	
14 Referral of issue to regulator for resolution by inspector	
14.1 The power pursuant to Section 82(2) of the Act to, ask the regulator to appoint an inspector to attend the workplace to assist in resolving the issue.	

15 Alternative work	
15.1 The power pursuant to Section 87 of the Act to, if a worker ceases work under Division 6, Part 5 of the Act, direct the worker to carry out suitable alternative work at the same or another workplace if that work is safe and appropriate for the worker to carry out until the worker can resume normal duties.	
16 Request to regulator to appoint inspector to assist	
16.1 The power pursuant to Section 89 of the Act to ask the regulator to appoint an inspector to attend the workplace to assist in resolving the issue arising in relation to the cessation of work.	
17 Request for review of provisional improvement notice	
17.1 The power pursuant to Section 100(1) of the Act, to, within 7 days after a provisional improvement notice is issued to the Authority or a worker who carries out work at the Authority, ask the regulator to appoint an inspector to review the notice.	
18 Application for assistance of inspector to resolve dispute	
18.1 The power, pursuant to Section 141 of the Act, to, if a dispute arises about the exercise or purported exercise by a WHS entry permit holder of a right of entry under the Act, ask the regulator to appoint an inspector to attend the workplace to assist in resolving the dispute.	
19 Authorising authority may deal with a dispute about a right of entry under this Act	
19.1 The power pursuant to Section 142(4) of the Act to apply to the authorising authority to deal with a dispute where the dispute relates to the Authority.	
20 Return of seized things	
20.1 The power pursuant to Section 180(1) of the Act to, if a seized thing has not been forfeited, and the Authority is the person entitled to the thing, apply to the regulator for the return of the thing after the end of 6 months after it was seized.	
21 Access to seized things	
21.1 The power pursuant to Section 181(1) of the Act to, until a seized thing is forfeited or returned, inspect it and, if it is a document, to make copies of it at all reasonable times.	

22 Application for internal review	
<p>22.1 The power pursuant to Section 224(1) of the Act, to, where the Authority is an eligible person in relation to a reviewable decision, other than a decision made by the regulator or a delegate of the regulator, apply to the regulator for review (an internal review) in accordance with Section 224(2) of the Act, of the decision within:</p>	
<p>22.1.1 the prescribed time after the day on which the decision first came to the Authority's notice; or</p>	
<p>22.1.2 such longer period as the regulator allows.</p>	
23 Application for external review	
<p>23.1 The power pursuant to Section 229(1) of the Act, to, where the Authority is an eligible person, apply to SAET under Part 3 Division 1 of the South Australian Employment Tribunal Act 2014, in accordance with Section 229(2) of the Act, for a review of:</p>	
<p>23.1.1 a reviewable decision made by the regulator; or</p>	
<p>23.1.2 a decision made, or taken to have been made, on an internal review.</p>	

SCHEDULE OF CONDITIONS

**CONDITIONS OR LIMITATIONS
APPLICABLE TO DELEGATIONS
CONTAINED IN THIS INSTRUMENT**

Paragraph(s) in instrument to which conditions/limitations apply	Conditions / Limitations
Nil	Nil

9.5 Revised Terms of Reference – Audit and Risk Management Committee

Report Author Executive Officer

Attachments A: Revised Terms of Reference – Audit and Risk Management Committee
B: Current Terms of Reference – Audit and Risk Management Committee

Purpose and Context

The Terms of Reference of the Audit and Risk Management Committee have undergone a scheduled review and are presented to the Audit & Risk Management Committee for consideration, comment and recommendation to the East Waste Board.

Recommendation

That the Audit & Risk Management Committee recommends to the East Waste Board that the revised Terms of Reference for the Audit & Risk Management Committee (Attachment A, Item 9.5, Audit & Risk Management Committee Meeting 13 November 2024) **be adopted.**

Strategic Link

Objective 5. Provide Leadership

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

Background

The East Waste Audit & Risk Management Committee (the Committee) has been established by the East Waste Board (the Board) in accordance with Clause 31 of the Eastern Waste Management Authority Charter (as gazetted on 28 June 2022) and Schedule 2, Clause 30 of the *Local Government Act 1999* (the Act).

The purpose of the Committee is to provide independent assurance and advice to the East Waste Board on accounting, financial management, internal controls, risk management, and governance matters.

It should be noted that the Act sets out the functions of a local government audit and risk committee at s126. The provisions of this section of the Act were significantly amended during the recent legislative review and these changes are reflected in the proposed Terms of Reference.

Executive Summary

The Committee's current Terms of Reference (ToR) (**refer Attachment B**) detail the responsibilities and membership of the Committee.

The Committee reports to the Board and provides appropriate advice and recommendations on matters relevant to its Terms of Reference and statutory functions to facilitate informed decision making in relation to the discharge of the Board's responsibilities.

The ToR has undergone a scheduled review and has been updated to reflect amendments to the *Local Government Act 1999* and good governance practices.

Discussion

The Committee's Terms of Reference was most recently reviewed in February 2022, with the East Waste Board resolving that it should be reviewed again in November 2024.

The revised Terms of Reference are included within Attachment A (**Refer Attachment A**) to this report. The proposed changes have not been tracked as the ToR has been transferred to the new corporate template as this method would be difficult to read. Rather the suggested changes are detailed below:

3 Establishment

- This section has been updated include the relevant legislative references and include mention of the requirements of the Charter.
- Clause 3 has been added to highlight that the Committee is to report to the East Waste Board.

4 Definitions

This is a new section which defines terms used within the Terms of Reference to avoid ambiguity.

5 Functions of the Committee

This section details the various functions with which the Committee is charged.

3.1 Financial Reporting and Sustainability

An additional two clauses have been included at 3.1.1 and 3.1.2 as below:

- 3.1.1 Review the annual financial statements to ensure that they provide a timely and fair view of the state of affairs East Waste.
- 3.1.2 Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of East Waste on a regular basis.

The remainder of this section is largely unchanged.

3.2 Internal Controls and Risk Management

This section is unchanged.

3.3 Internal Audit

This section is unchanged.

3.4 External Audit

This section is unchanged.

3.5 Other Matters

This is a new clause which provides the Committee the following authorities:

- 3.5.1 Propose examinations and review examination reports on any matter relating to financial management, or the efficiency and economy with which the Board manages or uses its resources to achieve its objectives, that would not otherwise be addressed or included as part of annual audit and that is considered by the Board to be of such significance as to justify an examination under section 130A of the Act.

- 3.5.2 Review any report obtained by the Board under Section 48(1) of the Act in accordance with East Waste's Prudential Management Policy, practices and procedures.
- 3.5.3 Monitor the responsiveness of recommendations for improvement based on previous audits and risk assessments, including those raised by the Board's auditor.
- 3.5.4 Review East Waste's arrangements and processes for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure these arrangements allow independent investigation of such matters and appropriate follow-up action.

With regard to proposed clause 3.5.4 it is good practice for the Committee to provide oversight of the Public Interest Disclosure function of East Waste to ensure that policies and procedures are correct and that employees, Directors and Committee Members receive regular training in understanding their rights and responsibilities under the different pieces of integrity legislation.

4 Membership

- The qualifications for membership of the Committee have been grouped together, so that as a whole the Committee must have the requisite skills and experiences rather than tying these to one member.
- Clarity has been provided around the term of the Board Member to the Committee with the term expiring at the commencement of the new term of Council (most usually late November in an election year) to enable Member Councils to appoint their representatives to the Board and the Board to determine Committee membership.

Proposed changes or alterations to clauses within the ToR are as follows:

- 4.6 The appointment of the Independent Chairperson of the Board to the Committee shall be a standing appointment
Section 126(2)(a) of the Act states that *the majority of the members of the committee must be persons who are not members of any council.*
While the Committee's current composition fills this requirement, it is considered that appointing the Independent Chairperson of the Board to the Committee, as a standing appointment, will provide independence and assist with continuity of knowledge of the Committee's previous resolutions and reasoning for decision making.
- 4.7 Details the process for the recruitment of Independent Members to the Committee.
- 4.11 - 4.13 These clauses detail the processes by which a person ceases to a Member of the Committee.

5 Independent Chairperson

This is a new section of the TOR which details the roles and responsibilities of the Independent Chairperson of the Committee.

6 Sitting and Professional Fees

A clause stating that professional fees will be paid for the advice and attendance of the person primarily responsible for the internal audit function External Auditors, and legal and other professionals at the Committee Meetings has been included at 6.3.

7 Meetings

This section has been expanded and updated to include the requirements of East Waste's Code of Practice – Procedures at Meetings include elements such as:

- Frequency of meetings
- Notice of meetings
- Meeting procedures
- Voting
- Meeting minutes.

8 Other Responsibilities

This section highlights other responsibilities of the Committee including:

- Preparing an annual report on the work of the Committee.
- Undertaking an annual self-assessment.

Conclusion

The Terms of Reference of the Audit and Risk Management Committee have undergone a scheduled review and are presented to the Committee for consideration and recommendation to the East Waste Board.

Terms of Reference

Audit and Risk Management Committee

1. Establishment and Purpose

- 1.1. The East Waste Audit & Risk Management Committee (the Committee) has been established by the East Waste Board (the Board) in accordance with Clause 31 of the Eastern Waste Management Authority Charter (as gazetted on 28 June 2022) and Schedule 2, Clause 30 of the *Local Government Act 1999* (the Act).
- 1.2. The purpose of the Committee is to provide independent assurance and advice to the East Waste Board on accounting, financial management, internal controls, risk management, and governance matters.
- 1.3. The Committee reports to the Board and provides appropriate advice and recommendations on matters relevant to its Terms of Reference and statutory functions to facilitate informed decision making in relation to the discharge of the Board's responsibilities.

2. Definitions

Unless the context indicates otherwise, the following terms have the following meanings in these Terms of Reference:

Act means the *Local Government Act 1999* (SA).

Board means the Board of Directors of the Eastern Waste Management Authority.

Chairperson means the chairperson of the Committee, appointed in accordance with clause 5 of these Terms of Reference.

Code of Practice – Meeting Procedures means the Board's Code of Practice –Meeting Procedures or any replacement Code of Practice adopted by the Board for the purpose of the Local Government (Procedures at Meetings) Regulation 2013.

Committee means the Audit & Risk Management Committee established by resolution of the East Waste Board, to be governed by these Terms of Reference.

Member means a member of the Committee.

Regulations includes the Local Government (Financial Management) Regulations 2011 and Local Government (Procedures at Meetings) Regulations 2013.

3. Functions of the Committee

The primary function of the Committee is to provide independent assurance and advice to the Board on accounting, financial management, internal controls, risk management and governance matters.

In particular the Committee will oversee the following:

3.1. Financial Reporting and Sustainability

- 3.1.1. Review the annual financial statements to ensure that they provide a timely and fair view of the state of affairs East Waste.
- 3.1.2. Review the adequacy of the accounting, internal control, reporting and other financial management systems and practices of East Waste on a regular basis.
- 3.1.3. Propose, and provide information relevant to, a review of East Waste's strategic management plans and annual business plans.
 - 3.1.3.1. 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.
 - 3.1.3.2. Review and make recommendations to the Board regarding the assumptions, financial ratios and financial targets in the Long Term Financial Plan.
- 3.1.4. 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.
- 3.1.5. 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

Oversee East Waste's engagement with the external auditor including but not limited to:

- 3.4.1. assessing the external auditor's qualifications and expertise.
- 3.4.2. recommending the approval of the external auditor's remuneration and terms of engagement to East Waste.
- 3.4.3. assessing the external auditor's independence and objectivity and monitoring the external auditor's compliance with legislative requirements on the rotation of audit partners.
- 3.4.4. considering and making recommendations to the Board concerning the appointment, reappointment and removal of the East Waste's external auditor.
- 3.4.5. if an auditor resigns, the Committee shall investigate the issues leading to this and decide whether any action is required.
- 3.4.6. liaise with East Waste's external auditor.
- 3.4.7. 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.
- 3.4.8. reviewing 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.
- 3.4.9. reviewing any representation letter requested by the external auditor before they are signed by management.
- 3.4.10. reviewing Administration's response to reviews, recommendations and audit letters provided by the External Auditor.

3.5. Other Matters

- 3.5.1. Propose examinations and review examination reports on any matter relating to financial management, or the efficiency and economy with which the Board manages or uses its resources to achieve its objectives, that would not otherwise be addressed or included as part of annual audit and that is considered by the Board to be of such significance as to justify an examination under section 130A of the Act.
- 3.5.2. Review any report obtained by the Board under section 48(1) of the Act in accordance with East Waste's Prudential Management Policy, practices and procedures.
- 3.5.3. Monitor the responsiveness of recommendations for improvement based on previous audits and risk assessments, including those raised by the Board's auditor.
- 3.5.4. Review East Waste's arrangements and processes for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure these arrangements allow independent investigation of such matters and appropriate follow-up action.

3.5.5. Perform any other function determined by the Board or prescribed by the Regulations.

4. Membership

- 4.1. Members of the Committee shall be appointed by the Board of East Waste in accordance with these Terms of Reference.
- 4.2. The Committee shall consist of five (5) members:
 - 4.2.1. Three (3) Independent Members determined by the Board to have experience relevant to the functions of the Committee.
 - 4.2.2. One (1) Member of the Board determined by the Board to have experience relevant to the functions of the Committee.
 - 4.2.3. One (1) ex officio Member being, the Independent Chairperson of the Board.
- 4.3. Members of the Committee (when considered as a whole) must have skills, knowledge, and experience relevant to the functions of the Committee, including financial management, risk management, governance, and any other prescribed matter.
- 4.4. Appointment of the Board Member to the Committee shall be declared vacant at the commencement of each Council term.
- 4.5. Board Members are appointed to the Committee for two (2) years to ensure an orderly rotation and continuity of membership.
- 4.6. The appointment of the Independent Chairperson of the Board to the Committee shall be a standing appointment.
- 4.7. Recruitment of Independent Members will take place by the General Manager calling for expressions of interest. A selection panel will be formed by the General Manager to assess the applications and recommend to the Board the preferred candidate for appointment to the Committee, with reference to the current make-up of the Committee and skills and experience outlined in Clause 4.3.
- 4.8. The term of the appointment for Independent Members, subject to the Act and these Terms of Reference, shall be a period of two (2) years.
- 4.9. 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.
- 4.10. An Independent Member who has served three (3) consecutive, two (2) year 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 process.
- 4.11. A person ceases to be a Member of the Committee upon any of the following circumstances occurring:
 - 4.11.1. the Member's term of office expires and they are not reappointed.
 - 4.11.2. the Member resigns by written notice to the Board.

- 4.11.3. the Member ceases to hold the office which entitles them to be a member.
- 4.11.4. the Member dies or becomes of unsound mind.
- 4.12. Any member of the Committee may be removed on the grounds that the member has been absent without leave from three (3) or more consecutive meetings or is not performing duties as required within the objectives and functions of the Committee
- 4.13. Nothing in these Terms of Reference gives rise to any right of procedural fairness or otherwise derogates from the Board's ability to remove a Member of the Committee by resolution.

5. Independent Chairperson

- 5.1. The Chairperson will be an Independent Member appointed by the Board for a two (2) year term. The Board may decide, by resolution, to extend the term or reappoint an Independent Member as Chairperson (noting however that the appointment of the Independent Member to the Committee cannot exceed a maximum consecutive period of six (6) years as per clause 4.10).
- 5.2. The Committee may make an appointment to the position of Deputy Chairperson for a term.
- 5.3. If the Chairperson is absent from a meeting of the Committee an Independent Member will be chosen from those present to preside at the meeting as the Acting Chairperson.
- 5.4. The Chairperson is to
 - 5.4.1. Oversee the orderly conduct of meetings in accordance with the Act, the Regulations and the Procedures at Meetings Code of Practice.
 - 5.4.2. Ensure that all Members have an opportunity to participate in discussions in an open and responsible manner.
 - 5.4.3. Liaise with East Waste administration between meetings regarding the preparation of the Committee's agenda and minutes.
 - 5.4.4. Nominate a Member of the Committee who is also a Member of the Board to present the unconfirmed minutes of Committee meetings.
 - 5.4.5. Execute, along with the General Manager, the 'Independence of External Audit' certification required under the Regulations as part of the end of financial year audit process.

6. Sitting and Professional Fees

- 6.1. Independent Members of the Committee will receive a sitting fee determined by the Board.
- 6.2. Sitting fees will be reviewed and set by the Board within six (6) months of each periodic local government election.
- 6.3. Professional fees will also be paid for the advice and attendance of the person primarily responsible for the internal audit function External Auditors, and legal and other professionals at the Committee Meetings.
- 6.4. There are no sitting fees for Board Members appointed to the Committee.

7. Meetings

7.1. Frequency of Meetings

- 7.1.1. The Committee shall meet at least once per quarter.
- 7.1.2. A schedule of meetings, including, place, date and time meetings of the Committee will be held, shall be determined by the Committee annually.
- 7.1.3. The General Manager is delegated the authority to vary the Committee's meeting schedule after liaison with the Chairperson.
- 7.1.4. Special meetings of the Committee may be called in accordance with the Act.

7.2. Notice of Meetings

- 7.2.1. In accordance with Section 87 of the Act, a 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 no later than three (3) clear days before the date of the meetings. Supporting papers shall, whenever possible, be sent to Committee Members (and to other attendees as appropriate) at the same time.
- 7.2.2. Notice of meeting, agenda and supporting information will be placed on the East Waste website.

7.3. Meeting Procedures

- 7.3.1. Meetings will be conducted in accordance with East Waste's Code of Practice – Procedures at Meetings.
- 7.3.2. Members of the public can attend Committee meetings unless prohibited by resolution of the Committee in accordance with section 90(2) of the Act.
- 7.3.3. A Member of the Committee may attend via electronic means provided that advance notice has been provided to the General Manager and facilities are available.

7.4. Voting

- 7.4.1. 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.
- 7.4.2. All decisions of the Committee shall be made based on the majority decision of the members present.
- 7.4.3. 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 decision.

7.5. Meeting Minutes

- 7.5.1. Conflict of Interest declarations are required pursuant to sections 73 – 75D of the Act and will be recorded in the minutes.
- 7.5.2. The General Manager shall ensure that minutes are kept of the proceedings and resolutions of all meetings of the Committee and that the minutes comply with the requirements of the Regulations and the Code of Practice - Procedures at Meetings.
- 7.5.3. Minutes of Committee meetings shall be circulated within seven (7) days after a meeting to all Members of the Committee.
- 7.5.4. Minutes of the Committee meeting will be placed on the East Waste website.

8. Other Responsibilities

Without derogating from any of the above provisions, the Committee:

- 8.1. Shall always act in accordance with the Act, the Regulations and in accordance with these Terms of Reference in the performance of its functions.
- 8.2. Shall prepare an annual report on the work of the Committee in the 12 months preceding the preparation of the report, to be presented to the Board in July of each year and to be made publicly available via the East Waste Annual Report.
- 8.3. Undertake an annual self-assessment for inclusion in the Committee's annual report.

9. Tenure

The Committee will continue in existence in accordance with the Act.

10. Legislation

Local Government Act 1999

Local Government (Financial Management) Regulations 2011

Local Government (Procedures at Meetings) Regulations 2013

11. References

12. Related Documents

East Waste Code of Practice – Procedures at Meetings

Procurement Policy

13. Review

- 13.1. The Committee shall, at least every four (4) years, review its Terms of Reference, so that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval
- 13.2. The Board may review and amend these Terms of Reference at any time.

Signed _____

General Manager

Date ____/____/____

Signed _____

Chairperson of the Board

Date ____/____/____

14. Document History

Version No:	Issue Date:	Description of Change:
1.0		
2.0		Content updated and placed in new format

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

*Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.*

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.

*Electronic version on the Intranet is the controlled version.
Printed copies are considered uncontrolled.
Before using a printed copy, verify that it is the current version.*

9.6 Communication System Upgrade - Customer Service Metrics

Report Author Acting General Manager

Attachments A: Customer Service Telephone Metrics Report

Purpose and Context

The purpose of this report is to present key customer service telephone metrics to the Audit & Risk Management Committee (the Committee) following the upgrade to East Waste's telephone system, as outlined in the 2022/2023 Annual Business Plan.

These metrics provide valuable insights into the level of service East Waste has been delivering to the residents of our Member Councils when they contact East Waste by phone for inquiries, service bookings, or other requests.

The report highlights the capabilities of the new phone system, focusing on how its enhanced reporting features have been leveraged to improve efficiencies and elevate the overall customer experience.

The data collected offers a snapshot of how customer inquiries are managed, enabling an assessment of current performance, identification of potential areas for improvement, and guidance for future operational decisions. This aligns with East Waste's broader goals of improving service delivery, boosting customer satisfaction, and managing risks related to communication and response times.

Ultimately, this report aims to provide the Committee with a concise, high-level overview of customer service telephone metrics, ensuring transparency and alignment with both strategic and operational objectives.

Recommendation

That the Audit & Risk Management Committee notes the report and recommends presentation to the East Waste Board.

Strategic Link

Objective 1. Deliver cost-effective and efficient services facilities.

Strategy 1.5 Provide a consistently high standard of Customer Service.

Background

As part of the 2022/2023 Annual Business Plan, East Waste identified the need to upgrade its communication system to better support growing customer service demands and enhance overall service delivery. The previous telephone system, while functional, had several limitations that hindered operational efficiency and impacted customer experience.

Key limitations of the previous system included:

- **Limited Reporting Capabilities:** The system lacked robust reporting tools, making it difficult to analyse important performance metrics such as call volumes, wait times, and service levels.
- **No Call Recording or Monitoring:** The inability to record and listen to calls restricted the ability to monitor agent performance, provide coaching, and maintain quality assurance standards.
- **No Mobility:** Staff were tied to their desks to answer calls, limiting flexibility and response times, particularly in a dynamic work environment.

Recognising these challenges, East Waste initiated a project to implement a modern, cloud-based telephone system capable of addressing these limitations and supporting the organisation's commitment to improving customer service. Following a comprehensive procurement process, RingCentral was selected as the preferred solution. This upgrade reflects East Waste's commitment to adopting innovative technologies to enhance service delivery and improve customer satisfaction.

Key Features of the RingCentral system: The RingCentral system introduced a range of advanced features designed to improve both operational efficiency and customer experience:

- **Messages on Hold:** Enables East Waste to deliver relevant messages to callers while they wait, including updates on their position in the queue. This helps keep callers informed and improves their experience during hold times.
- **Call-Back Option:** Customers can request a call back instead of waiting on hold, which helps reduce frustration and ensures they don't lose their place in the queue.
- **Improved Queuing Functionality:** Streamlines call routing, ensuring that inquiries are handled by the appropriately skilled staff member for faster resolution.
- **Call Recording and Monitoring:** Enables quality assurance and staff coaching through the ability to record and review calls, improving training and performance.
- **Enhanced Reporting:** Provides detailed, actionable data on call volumes, wait times, staff performance, and service levels, supporting data-driven decision-making.
- **Mobility:** Allows staff to answer calls remotely via mobile devices, tablets, or laptops, providing flexibility and responsiveness, particularly during peak periods.
- **Instant Messaging:** Facilitates internal communication, enhancing collaboration and enabling staff to resolve customer issues more efficiently.

Performance Metrics Tracked and Measured: One of the key benefits of the RingCentral system is its ability to capture and track critical performance metrics. These metrics provide valuable insights into both customer experience and staff performance, allowing East Waste to identify areas for improvement and take proactive steps to enhance service delivery and customer's experience. Some of the key metrics being tracked/monitored include:

- **Average Call Wait Times:** Monitors how long customers are waiting before their calls are answered, helping to assess service efficiency and identify periods of high demand.
- **Service Levels:** Measures the percentage of calls answered within a 30 second time frame, supporting the goal of providing timely service to all callers.
- **Refused (Unanswered) Calls:** Tracks the number of calls that go unanswered, highlighting potential performance management issues.
- **Average Handling Times (AHT):** Monitors how long it takes to resolve customer inquiries, providing insights into staff efficiency and the need for additional training and/or resources.
- **Call Monitoring and Coaching:** Facilitates regular quality assurance reviews, enabling managers to coach agents based on real customer interactions, improving performance and consistency.

The successful implementation of the RingCentral system in June 2023 has enabled East Waste to leverage these features and performance metrics, allowing for continuous improvement in both customer service and operational efficiency. The system has empowered staff to manage customer interactions more effectively, respond to inquiries in a timely manner, and enhance overall satisfaction.

By adopting this upgraded system, East Waste is now better positioned to meet the evolving needs of its customers, track performance, and deliver a higher standard of service.

Report

The introduction of the RingCentral telephone system has led to measurable improvements in East Waste's customer service performance. The enhanced functionality and reporting capabilities of the new system have enabled better call management, providing valuable insights and driving significant improvements across key performance metrics. Notably, we have been able to track call volumes, identify peak and off-peak trends, and align staffing levels to better manage customer demand.

Key Metrics and Improvements:

- **Call Volume and Trends:** Since the upgrade, East Waste has been able to accurately track call volumes and trends, providing insights into daily, weekly, and monthly fluctuations. On average, East Waste receives 5,755 calls per month, equating to roughly 288 calls per day. The highest recorded call volume was 8,289 calls in a single month, while the lowest was 4,349 calls. By understanding these patterns, East Waste has been able to allocate staff more effectively during peak periods, improving both customer service levels and staff efficiency.
- **Call Reasons and Trends:** The ability to track the reasons behind customer calls has provided valuable insights into the types of services most in demand. The highest call volumes are related to:
 - Bin repairs/ replacements
 - Hard waste/ mattress collections

- Missed bins (including bins that were missed due to being presented late, as well as bins that were unauthorised or contaminated).

This data has allowed East Waste to better understand the drivers behind call demand and take proactive measures to address common issues.

- **Reduced Wait Times:** The improved queuing system, combined with the call-back feature, has significantly reduced customer wait times, particularly during periods of high demand. Callers now have the option to request a call back instead of waiting on hold, ensuring a more efficient and positive experience.
- **Improved Average Handling Time (AHT):** A 30% improvement in the average handling time has been recorded since the upgrade. This improvement is due to a combination of factors, including better call routing, more effective staff training, and the ability to monitor and review calls for coaching purposes. The reduction in AHT reflects increased efficiency in resolving customer inquiries.
- **Decreased Refused (Abandoned) Calls:** The number of refused or abandoned calls has decreased significantly. The introduction of the call-back option and the messages-on-hold feature, which keep customers engaged while waiting, has been instrumental in minimising call abandonment rates.
- **Enhanced First-Call Resolution:** The new system's improved call routing, alongside the ability to monitor and record calls, has led to an increase in first-call resolution. Customers are now more likely to receive an effective solution during their initial call, reducing the need for follow-up calls and improving overall customer satisfaction.

The Customer Service Telephone Metrics Report (**refer Attachment A**) provides a high-level overview of the key metrics being tracked and highlights the improvements achieved since the upgrade to the phone system.

Conclusion

The introduction of the RingCentral telephone system has significantly enhanced East Waste's ability to track and analyse key customer service metrics. While improvements have already been realised across areas such as reduced wait times, improved handling times, and decreased call abandonment, it is important to note that a call monitoring/coaching program has only recently been introduced. This program will continue to evolve, with a focus on further developing quality assurance processes, refining staff coaching, and ensuring consistent service delivery.

As the monitoring program expands, the data collected will be used to continuously assess performance, identify areas for improvement, and drive enhancements to the customer experience.

Ongoing analysis of call data, customer feedback, and staff performance will remain central to East Waste's strategy for delivering high-quality, responsive service. This ongoing commitment to data-driven decision-making ensures that East Waste will continue to adapt and improve, providing residents of our Member Councils with an improved level of service.

Customer Service Telephone Metrics Report

June 2023 until September 2024

Introduction

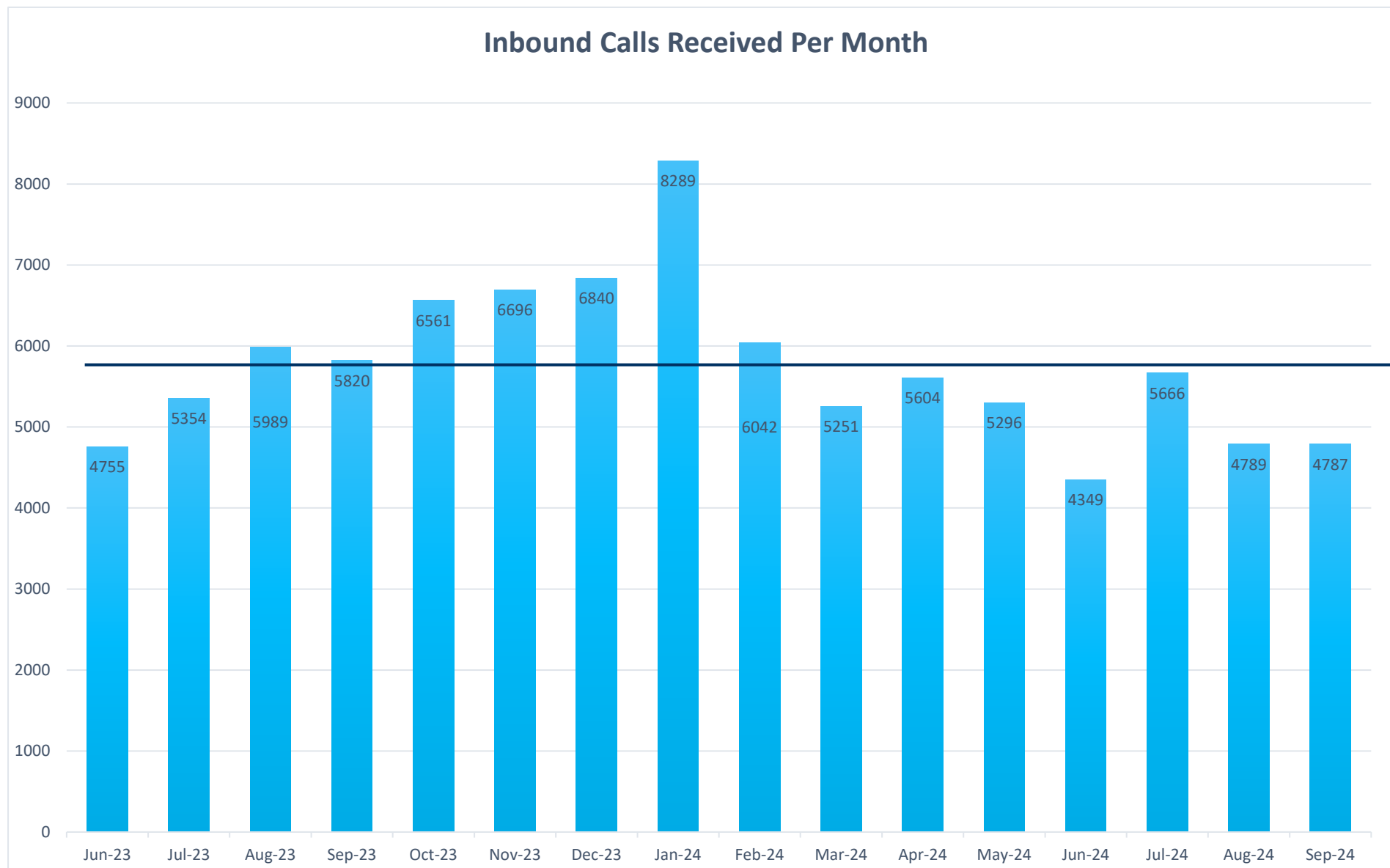
This report presents an analysis of East Waste's Customer Service telephone metrics from June 1, 2023, to September 30, 2024.

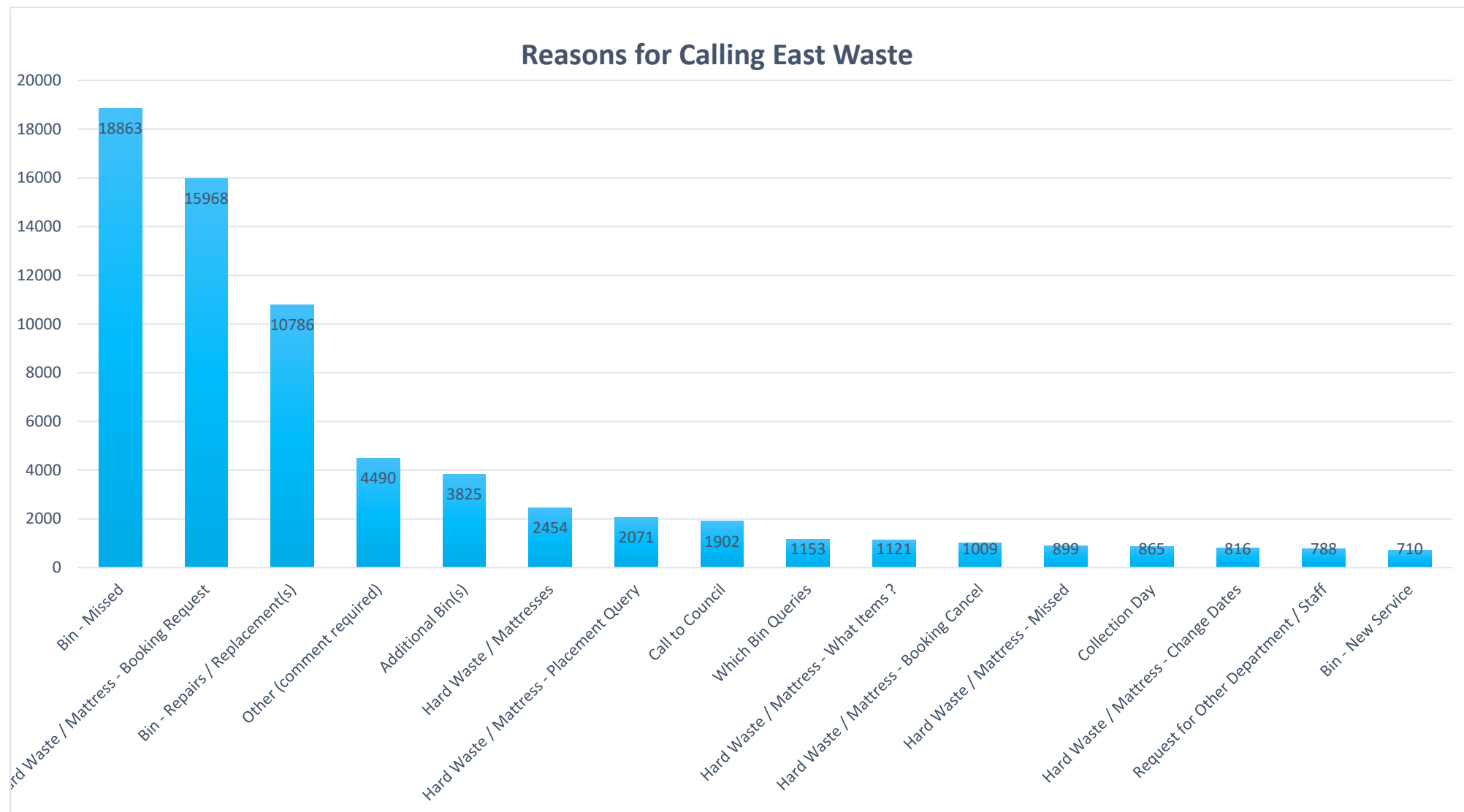
During this period, the customer service staff handled an average of 5,755 incoming calls per month, equating to approximately 288 calls per day. A significant proportion of these calls, about 50%, were related to hard waste bookings or missed bins.

Key performance improvements over the reporting period include:

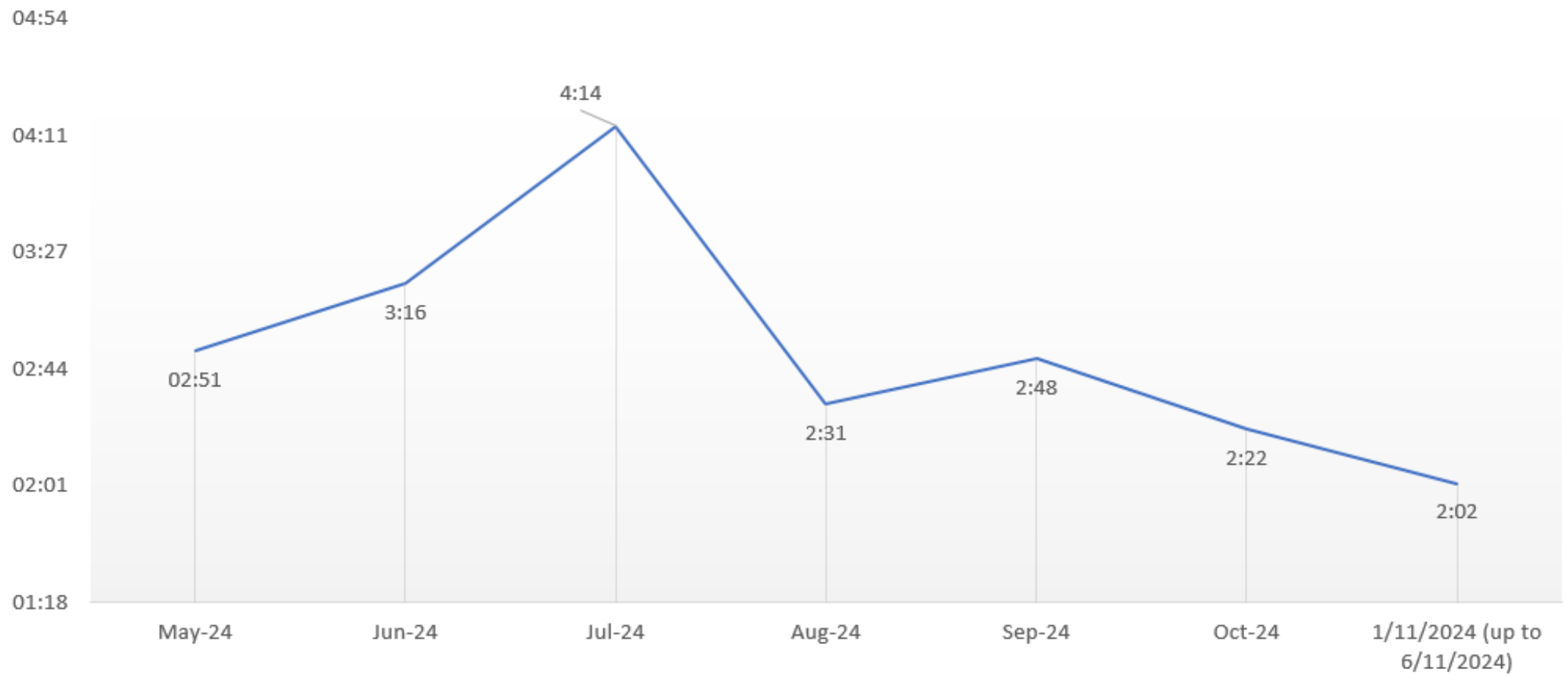
- Call wait times have decreased by approximately 1 minute, reflecting a 30% reduction in waiting time for callers.
- The proportion of calls answered within 30 seconds has increased by around 20%, demonstrating a more responsive service.
- Staff Average Handling Time per call has been reduced by about 50%, leading to more efficient interactions.
- Notably, the number of unanswered or refused calls has fallen by approximately 70%, indicating significant improvements in call management and customer satisfaction.

The following graphs provide a detailed overview of these metrics over the reporting period, illustrating both trends and progress in East Waste's customer service performance and some benefits associated with having a new telephone system.





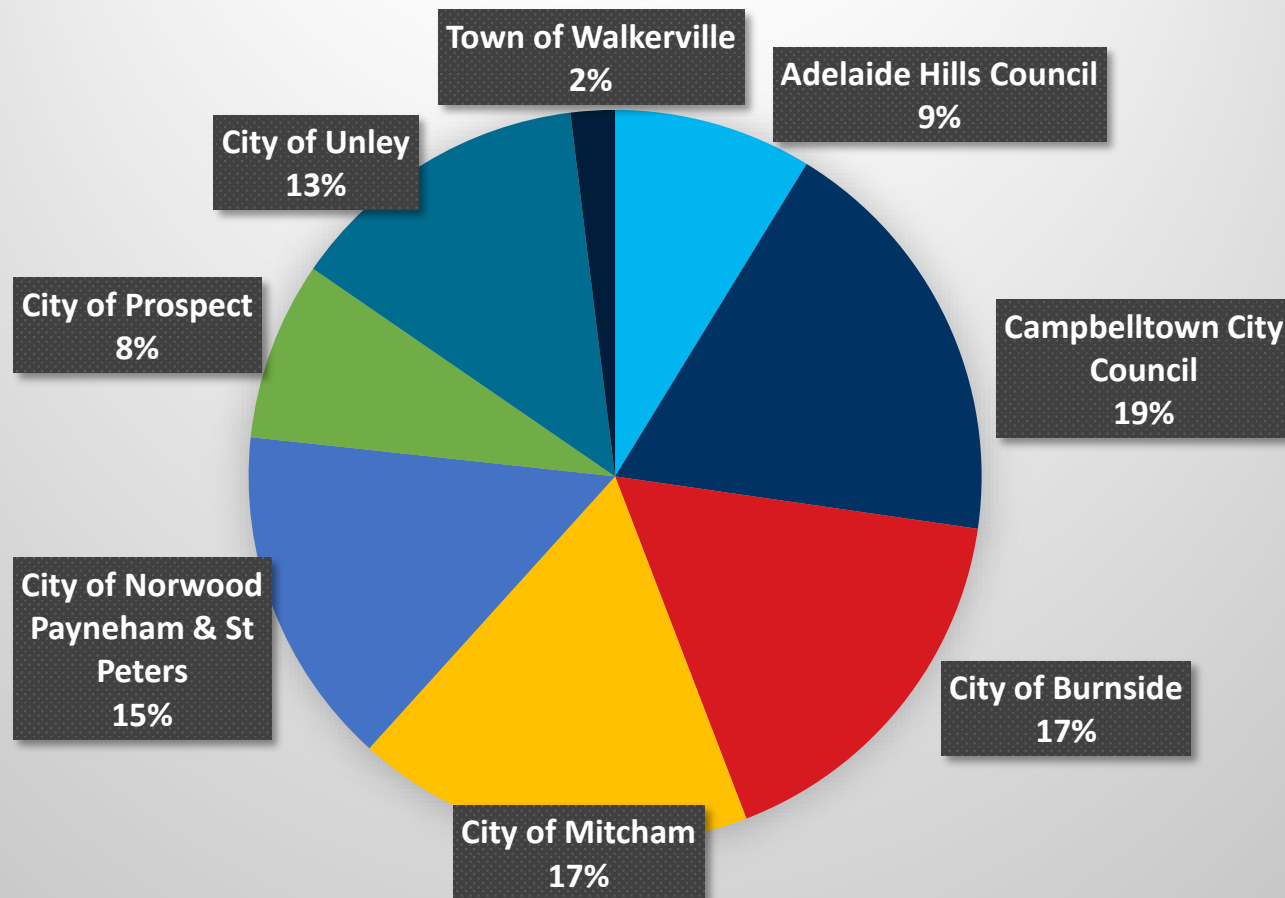
Callers Average Wait Times

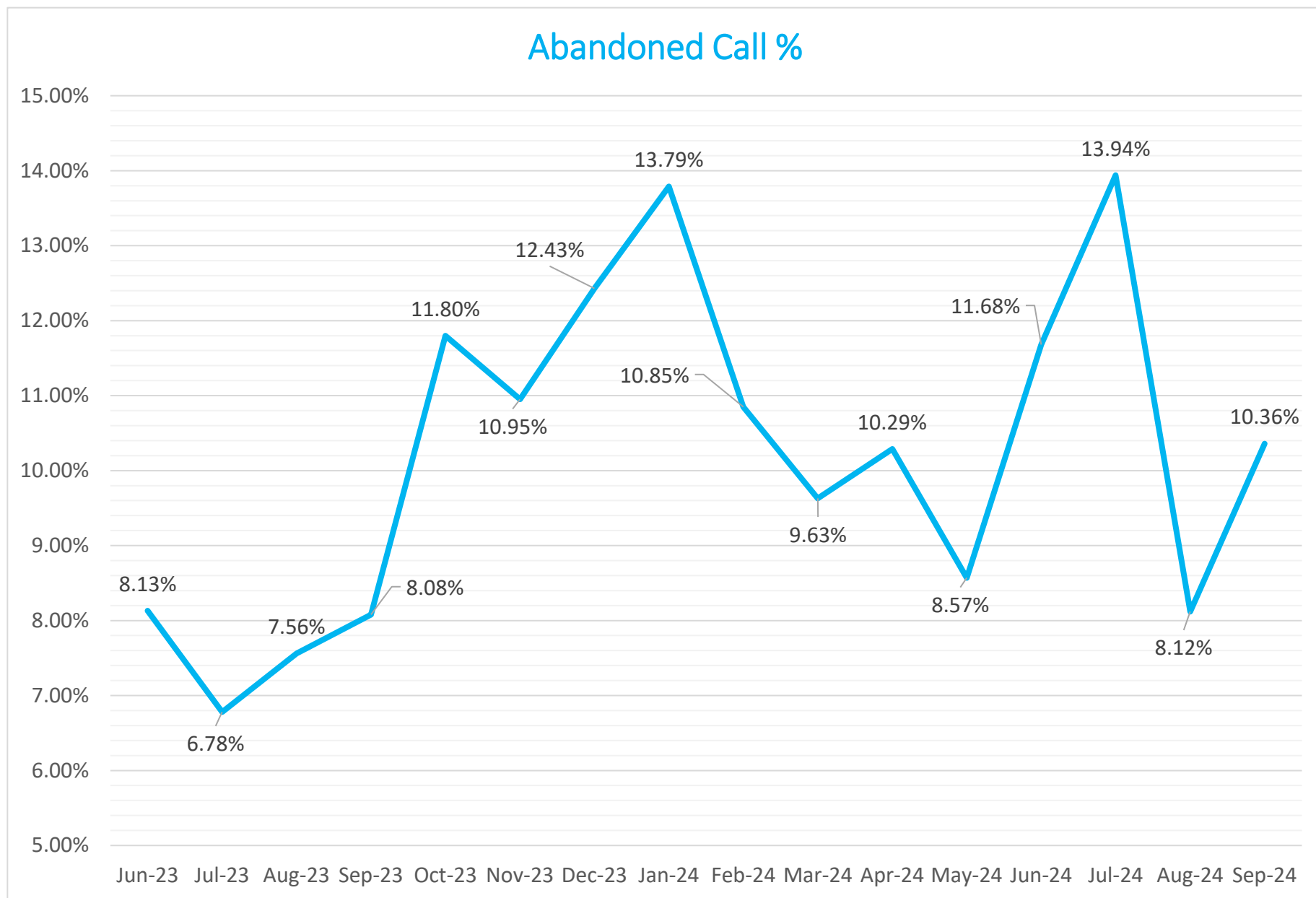


Service Level (% of calls answered within 30 Seconds)

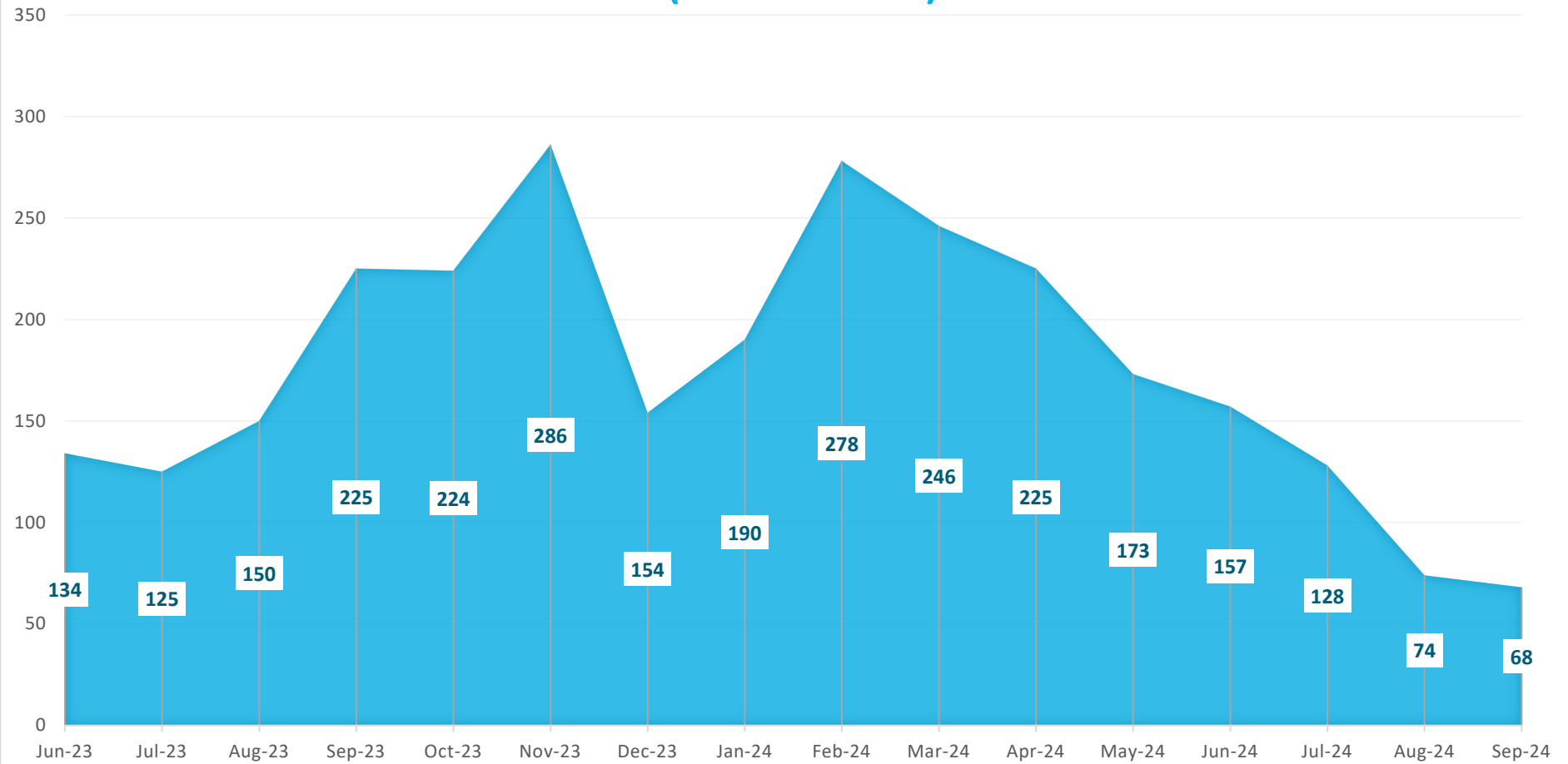


Calls by Member Councils June 2023 - September 2024

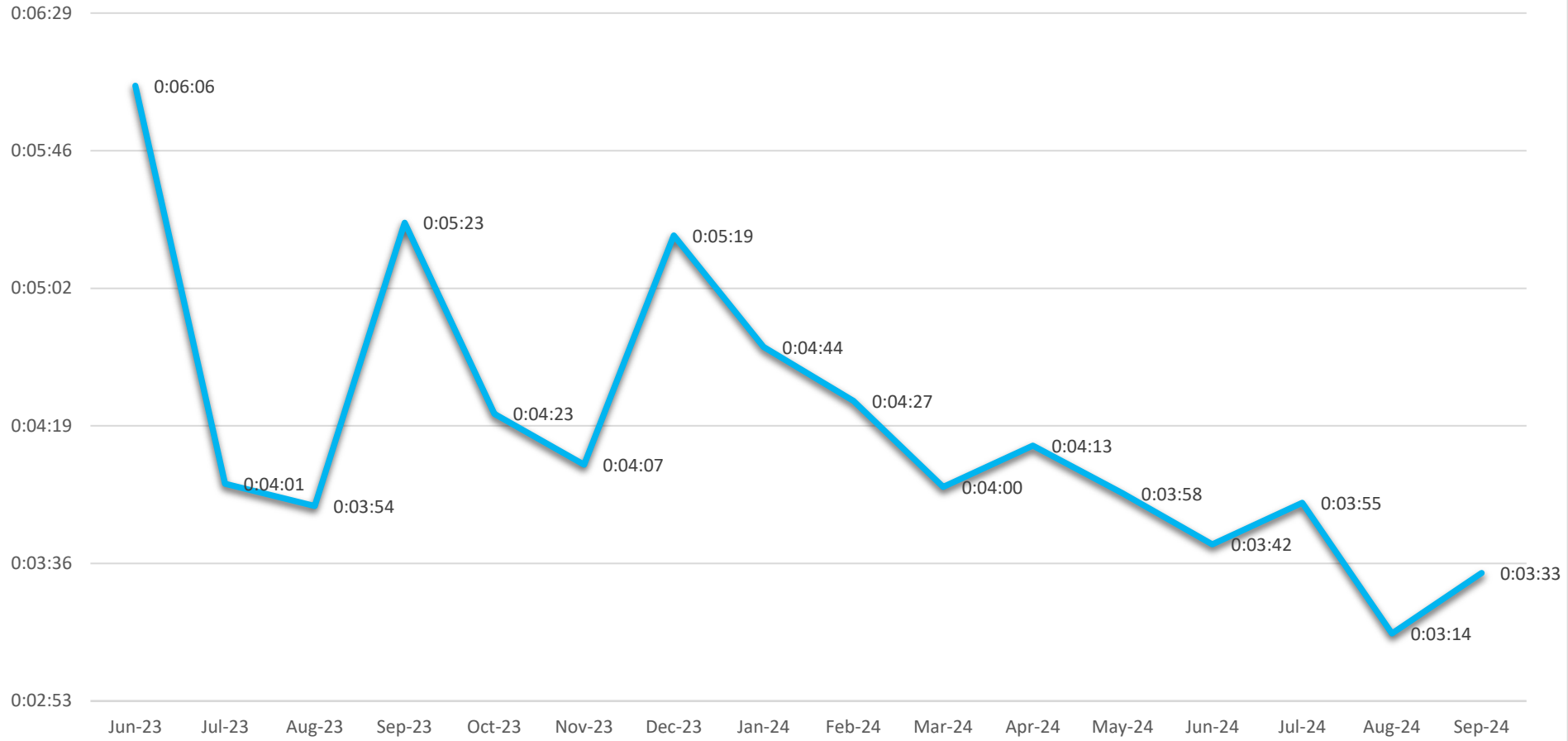




Refused (Unanswered) Calls



Agents Average Handling Time Per Call



9.7 Proposed Diversity and Inclusion Policy

Report Author Executive Officer

Attachments A: Proposed East Waste Diversity and Inclusion Policy

Purpose and Context

To provide the Audit & Risk Management Committee with an opportunity to review and provide feedback on the proposed Diversity and Inclusion Policy.

Recommendation

That the Audit & Risk Management Committee recommend the proposed Diversity and Inclusion Policy (Attachment A, Item 9.7, Audit & Risk Management Committee Meeting 13 November 2024 to the East Waste Board for adoption.

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* was 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 Management Committee in June 2024, with the Committee resolving as follows:

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

The Policy was further refined and presented to the East Waste Board at its meeting of 27 June 2024 with the Board resolving as follows:

That the draft Diversity & Inclusion Policy be reviewed in accordance with the feedback provided by the East Waste Board and presented to the Board for consideration at the November 2024 meeting.

Report

Following, the June 2024 Board Meeting, the Executive Officer, having qualifications in Governance and Human Resource Management was asked to assist with redrafting the proposed Diversity and Inclusion Policy (Policy).

The key pillars to this policy are to:

- **promote diversity of perspectives** – key to our success has been the celebration and acknowledgement of our workforce which in turn strengthens our organisation.
- **making sensible decisions**, thinking outside the box and having the courage to be different.
- **foster inclusion** – we encourage employees to work as a team and respect others. We believe that a one size fits all approach does not foster inclusion, therefore we leverage the different perspectives we have within our team to build an inclusive workplace.
- **empower our employees** – we are guided by the needs of our employees in providing them with support and training to achieve their potential.

East Waste's commitment to diversity and inclusion will be demonstrated by:

- Increasing overall representation of people from diverse backgrounds across the organisation as a whole.
- Revising recruitment practices to comprise diverse interviewer panels and candidate shortlists.
- Actively engaging with community organisations, participating in diversity events and sponsorships and support initiatives that promote social justice and equity.
- Developing an annual calendar of events to raise awareness of and celebrate culturally significant days across the year.
- Conducting a biannual culture and engagement survey to identify what percentage of people believe they can be their authentic selves at work and what percentage believe that people of all backgrounds have equal opportunities to succeed at East Waste.
- Rolling out Inclusive Leadership Training to the Management Team to embed inclusive leadership behaviours.

The Board will receive a 'Diversity Report' on a six monthly basis to ensure the East Waste is progressing its diversity & inclusion objectives and commitments.

A summary of the Diversity Report will be included within the East Waste Annual Report.

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. 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 and Inclusion Policy is contemporary and is a strong active statement of the organisation's commitment to advance diversity and inclusion across all aspects of the business.

Diversity and Inclusion Policy

1. Purpose

- 1.1. East Waste is committed to promoting diversity and a safe and inclusive culture, where our employees are valued and recognised for their unique contributions. We strive to facilitate and ensure the working environment provides access to equal opportunities and is responsive to all different cultures and groups and values and embraces diversity in all our interactions with our employees (including prospective employees), Member Councils, Board and Committee Members and in the communities within which East Waste operates.
- 1.2. East Waste has a zero-tolerance approach to bullying, harassment, victimisation or discrimination of any kind, and is dedicated to the elimination of any behaviour which constitutes same within the workplace. East Waste will take proactive steps to ensure all employees are aware of this Diversity and Inclusion Policy and that the consequences of any unwelcomed actions and behaviour, both intended or otherwise, could lead to disciplinary action, up to and including termination of employment and/or termination of contract.
- 1.3. The key pillars to this policy are to:
 - 1.3.1. **promote diversity of perspectives** – key to our success has been the celebration and acknowledgement of our workforce which in turn strengthens our organisation.
 - 1.3.2. making sensible decisions, thinking outside the box and having the courage to be different.
 - 1.3.3. **foster inclusion** – we encourage employees to work as a team and respect others. We believe that a one size fits all approach does not foster inclusion, therefore we leverage the different perspectives we have within our team to build an inclusive workplace.
 - 1.3.4. **empower our employees** – we are guided by the needs of our employees in providing them with support and training to achieve their potential.

2. Scope

- 2.1. This Diversity and Inclusion Policy governs the conduct of East Waste, including its directors, committee members, employees (including prospective employees), and visitors and/or contractors. It also extends to govern any work-related setting outside the workplace, including work-related travel and work-related social functions.

2.2. It is the expectation that all employees, directors, and visitors and/or contractors. will comply with and reinforce the application of this Diversity and Inclusion Policy.

3. Definitions

Director for the purposes of this policy includes both Directors of the East Waste Board and Members of Committees of the East Waste Board.

Employee means

4. Diversity and Inclusion

4.1. Diversity relates to all characteristics which make individuals different from one another. It encompasses, but is not limited to:

- 4.1.1. differences in: race
- 4.1.2. religious beliefs
- 4.1.3. ethnicity
- 4.1.4. gender identity
- 4.1.5. sexual orientation
- 4.1.6. marital or family status
- 4.1.7. disability
- 4.1.8. age
- 4.1.9. ethnicity
- 4.1.10. socio-economic backgrounds
- 4.1.11. perspectives
- 4.1.12. experiences
- 4.1.13. cultural backgrounds

and other areas of potential difference. East Waste values and respects the skills that people with diverse backgrounds, experiences and perspectives bring to the organisation.

4.2. Inclusion at East Waste relates to ensuring the working environment is one where differences are actively leveraged to improve business outcomes, and create a sense of belonging, trust, respect, and safety for all individuals.

5. Policy

5.1. Recruitment and Composition

A broader attitude to diversity, equity and inclusion enables us to welcome the right people into our workplace. We know that inclusive and diverse teams are more engaged and productive because of the varied perspectives and experiences they bring.

- 5.1.1. It is an objective of East Waste to ensure the East Waste workforce is gender diverse including in relation to individuals in management positions, and/or those in **key** leadership positions. East Waste is committed to promoting the same gender diverse objective is applicable in relation to the gender composition of the Board.
- 5.1.2. East Waste is committed to ensuring the recruitment and selection of any prospective employees is fair, void of any 'bias' and is conducted through a merit-based, transparent, and inclusive process.

5.2. Equal Remuneration and Promotion

- 5.2.1. The remuneration paid to East Waste' employees performing the same work and/or different work of equal or comparable value will be gender-balanced, and equal.
- 5.2.2. East Waste will ensure all employees are informed of all internal promotion and/or any other selection opportunities, and that these opportunities will be conducted fairly, on the basis of merit, and against an objective criteria.

5.3. Prohibited Conduct

- 5.3.1. East Waste maintains that it does not permit, tolerate, or condone any form of bullying, harassment, sexual harassment, victimisation, or unlawful discrimination. Please refer to East Waste's Code of Conduct for further detailed information in relation to the conduct expected of employees and other workplace participants.
- 5.3.2. Notwithstanding, East Waste's Grievance Procedure is in place to adequately facilitate mechanisms for reporting grievances, and ensuring that all grievances and/or allegations of prohibited conduct are responded to proactively, proficiently and with procedural fairness in nature and is in place to proactively prevent the occurrence of prohibited conduct (as defined) in the workplace.

5.4. Parental Leave, Support for carer's and other working arrangements

- 5.4.1. East Waste recognises the importance of providing supportive mechanisms to employees to assist with taking and/or managing parental leave and any caring responsibilities.
- 5.4.2. East Waste offers a range of support mechanisms to employees with regards to Parental Leave and for employees who are required to act as carers for an immediate family member of household member, who is sick or injured, or in the event of a family-related emergency. Please refer to East Waste's Leave Policy for further detailed information in relation to the Parental Leave entitlements and other arrangements available to East Waste employees.

5.5. Consultation

- 5.5.1. East Waste is committed to understanding the views and experiences of all employees and workplace participants in relation to equality in the workplace. In this respect, East Waste undertakes to meaningfully consult with employees on any issues which concern gender equality in the workplace.

- 5.5.2. Any data obtained through the employee consultation may be used to amend this Diversity and Inclusion Policy.

5.6. Demonstration of our Commitment

East Waste will demonstrate its commitment as a diverse and inclusion organisation by:

- Increasing overall representation of people from diverse backgrounds across the organisation as a whole.
- Revising recruitment practices to comprise diverse interviewer panels and candidate shortlists.
- Actively engaging with community organisations, participating in diversity events and sponsorships and support initiatives that promote social justice and equity.
- Developing an annual calendar of events to raise awareness of and celebrate culturally significant days across the year.
- Conducting a biannual culture and engagement survey to identify what percentage of people believe they can be their authentic selves at work and what percentage believe that people of all backgrounds have equal opportunities to succeed at East Waste.
- Rolling out Inclusive Leadership Training to the Management Team to embed inclusive leadership behaviours.

5.7. Measurement and Reporting

- The Board will receive a 'Diversity Report' on a six monthly basis to ensure the East Waste is progressing its diversity & inclusion objectives and commitments.
- A summary of the Diversity Report will be included within the East Waste Annual Report.

6. Legislation

Age Discrimination Act 2004

Australian Human Rights Commission Act 1986

Disability Discrimination Act 1992

Local Government Act 1999

Racial Discrimination Act 1975

Sex Discrimination Act 1984

Work Health and Safety Act, 2012

7. References

Nil.

8. Related Documents

Behavioural Standards Policy

Sexual Harassment Policy

9. Review

This Policy will be reviewed on a four year basis, unless legislative change triggers an earlier review date.

Signed _____
General Manager

Signed _____
Chair of East Waste Board

Date ____/____/____

Date ____/____/____

10. Document History

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

9.8 Treasury Management Performance Report

Report Author Manager Human Resources & Financial Services

Attachments A: Annual Treasury Management Performance Report

Purpose and Context

To provide the Audit and Risk Management Committee (the Committee) with a performance report as required by Clause 4.7 of East Waste's *Treasury Management Policy*.

Recommendation

The Committee recommend that the 2024 Annual Treasury Management Performance Report (Attachment A, Item 9.8, Audit & Risk Management Committee Meeting 13 November 2024) is presented to the East Waste Board for adoption.

Strategic Link

Objective 5. Provide Leadership

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

Background

The 2024 Annual Treasury Management Report (refer Attachment A) is provided in accordance with Clause 4.7 of East Waste's *Treasury Management Policy*:

4.7 Reporting

On or before 30 November each year, the East Waste Board shall receive, via the Audit and Risk Management Committee, a specific report regarding treasury management performance relative to the criteria specified in this policy. This report will highlight:

- The amount of each East Waste borrowing and investment, its interest rate, maturity date and any changes in holdings since the previous report; and*
- If applicable, the proportion of fixed interest rate and variable interest rate borrowings at the end of the reporting period.*

Discussion

The loan schedule within Attachment A of the report (refer Attachment A) summarises East Waste's outstanding debenture loans with the Local Government Finance Authority (LGFA), detailing the original amount borrowed, and the balance of the loan as at the report date (31 October 2024).

A total of eight (8) loans remain, with Loan Agreements 10 and 11 having matured in quarter one of FY25. Loan Agreement 21 is set to be settled on 15 November 2024, to finance the purchase of five

new waste collection vehicles as per the adopted FY25 Annual Plan and Budget. Projected borrowings for this loan have been noted accordingly.

While interest rates remain stagnant, LGFA rates remain competitive within the market, with the new fixed term rate locked in at 5.5%.

Administration historically sought to maximise the performance of funds through term deposits with the LGFA. However, with fallen interest rates and East Waste's cash flow requirements, short-term investments became less desirable and East Waste was able to better utilise funds via its LGFA 24-hour deposit account, offering appealing rates ranging from 4.30%-4.65% over the past 12-month period, with a balance of \$4,045,713 invested as at 31 October 2024.

This form of investment allows more flexibility to invest and withdraw funds in line with cash flow requirements, essentially used as a sweeping account for excess cash, with interest calculated daily, and same day transfers making it a highly favourable option for cash investments. The total interest earned over the 12-month period is inclusive of both interest paid, and accrued interest during the period.

No information has been provided in accordance with Clause 4.7, dot point 2, as this is not applicable to East Waste at this time, as all borrowings are 100% fixed rates.

Annual Treasury Management Performance Report

October 2024

Borrowings as at 31/10/2024

Loan #	Amount Borrowed	Rate	Term	Amount owing as at 31/10/2024	Maturity date
Loan Agreement 12	\$ 1,813,771	4.00%	7 years	\$ 432,066	15/11/2025
Loan Agreement 13	\$ 2,170,966	2.55%	8 years	\$ 1,004,131	17/02/2028
Loan Agreement 14	\$ 2,284,000	1.70%	8 years	\$ 1,180,649	15/10/2028
Loan Agreement 16	\$ 2,030,476	3.10%	8 years	\$ 1,448,748	15/11/2029
Loan Agreement 17	\$ 2,853,000	5.55%	8 years	\$ 2,252,285	17/10/2030
Loan Agreement 18	\$ 1,672,000	5.55%	8 years	\$ 1,412,503	15/02/2031
Loan Agreement 19	\$ 1,377,219	5.88%	8 years	\$ 1,308,570	15/12/2031
Loan Agreement 20	\$ 777,781	5.90%	8 years	\$ 739,042	15/02/2032
				\$ 9,777,994	Balance Principal
Loan Agreement 21	\$ 1,377,219	5.50%	8 years	\$ 2,178,539	15/11/2032
				\$ 11,956,533	Total Projected

Matured Loans between 31/10/2023 - 31/10/2024

Loan #	Amount	Rate	Term	Maturity date
Loan Agreement 10	\$ 1,646,244	3.85%	7 years	17/07/2024
Loan Agreement 11	\$ 325,369	4.00%	7 years	15/09/2024

Investments as at 31/10/2024

Account	Amount	Rate
LGFA Council Deposits	\$ 4,045,713.00	4.65%

Return on Investment from 31/10/2023 - 31/10/2024

Account	Amount	Rate
LGFA Council Deposits	\$ 72,354.73	4.30% - 4.65%

9.9 WHS Action Plan Rebate

Report Author Acting General Manager

Attachments A: WHS Rebate Action Plan Summary

Purpose and Context

The purpose of this report is to update the Audit & Risk Management Committee (the Committee) on the progress of East Waste's Work Health and Safety (WHS) Performance Action Rebate Plan.

This plan helps to enhance East Waste's existing WHS systems, focusing on improved injury management and effective return-to-work outcomes for employees impacted by workplace injuries.

Additionally, it serves as a strategic approach to foster a culture of safety across the organisation, support the Local Government Association (LGA) Workers Compensation Scheme, and maintain our self-insurance status.

This report summarises the key actions achieved under the 2023/2024 Performance Action Rebate Plan and provides an overview of the financial rebate received due to the successful implementation of the plan.

Recommendation

That the Audit & Risk Management Committee notes the report and recommends presentation to the East Waste Board.

Strategic Link

Objective 5. Provide Leadership

Strategy 5.1 Implement best practice safety standards.

Background

East Waste is a member of the Local Government Risk Services Mutual Liability Scheme. Each year, we work in partnership with the Local Government Risk Scheme (LGRS) Workers' Compensation Program to develop a Performance Action Rebate Plan (the Plan), which specifies actions for East Waste Administration to improve the existing WHS systems. The Plan operates from October-to-September each year.

These Plans are designed to strengthen East Waste's Workplace Health and Safety (WHS) systems. As an incentive, LGRS offers financial rebates to members upon successful completion of the Plan, the rebate amount is determined by the Scheme's overall performance and the amount of the plan that is completed by East Waste. In recent years, East Waste has received the following incentive rebate amounts, which are applied to reduce East Waste's insurance premiums for the following year:

Year	Rebate Amount Received	Percentage of Plan Completed
2019/2020	\$40,798	100%
2020/2021	\$67,216	100%
2021/2022	\$92,648	100%
2022/2023	\$133,262	100%

The 2023/2024 Plan incorporates key actions identified during previous audits, including the WHS Contractor Management and Workplace Return to Work Procedure Audits conducted in April 2023. The primary focus of the Plan was to enhance accountability and improve the WHS culture within East Waste.

The Plan included actions designed to facilitate improvements in the following key areas:

- Employee Induction Process
- Contractor Induction Process
- Position Descriptions
- Training Needs Analysis
- Minimum Training Requirements
- Delivery of Training Programs
- Development of Training Videos
- Psychosocial Risk Management
- Employee/Management Accountability
- Visitor/Contractor Sign-In Process
- Verification of Competency for Small Plant
- Monitoring and Notification for Overweight Vehicles.

A copy of the 2023/2024 East Waste Plan is included as **Attachment A** which outlines the specific actions undertaken.

Report

Following the completion of 56 actions outlined in the Plan during October 2024, East Waste received confirmation from the Local Government Risk Scheme (LGRS) that all evidence was accepted, and the Action Plan was deemed 100% complete. As a result, East Waste will now receive a financial rebate of \$148,262.

While achieving 100% completion is a significant accomplishment, several challenges arose during the implementation of the Plan, including:

- Operational disruptions requiring key staff to operate collection vehicles
- Delays in plan approvals from the LGA Workers Compensation Scheme sector
- Changes in the LGRS Risk Advisor assigned to East Waste.

Despite the above-mentioned challenges, the following key outcomes were achieved through the Plan:

- Development of a contractor induction video emphasising key safety risks and requirements for contractors working with East Waste.
- Implementation of the WHS East Waste Key Principles induction video.
- Delivery of specialised psychosocial training for all East Waste staff.
- Introduction of a new electronic sign-in process for visitors and contractors, with associated procedures.
- Creation of the first Verification of Competency assessment documents for workshop employees.
- Deployment of an automated electronic notification system to alert key personnel of any breaches of the National Heavy Vehicle Regulator's weight load requirements.

These accomplishments demonstrate East Waste's strong commitment to enhancing workplace safety, reflecting the effort dedicated to achieving a 100% completion result.

Conclusion

In summary, the 2023/2024 Performance Action Rebate Plan has been successfully implemented, securing the maximum rebate of \$148,262 from the LGRS. This accomplishment highlights East Waste's commitment to enhancing our Work Health and Safety (WHS) systems and fostering a strong culture of safety.

The Plan's focus on critical areas, including employee induction, training, and accountability, has strengthened injury management systems and reinforced alignment with best-practice safety standards. Despite challenges such as operational disruptions and approval delays, the dedication of administration staff enabled us to successfully overcome these obstacles.

Looking ahead, East Waste is currently developing its 2024/2025 Plan, with continued improvements to WHS systems as a priority. This new plan will focus on additional training needs, improving accessibility to training, and addressing key industry safety concerns, such as the prevention of fires in collection vehicles.



WHS Action Rebate Plan Summary

Pro-active Work Health and Safety (WHS) Management

ACTION NO.	Action Agreed	Progress / Evidence	Responsible Person
TRAINING			
1	Review East Waste's WHS induction & training requirements. The review should include organisational gaps identified from the Schemes Risk Audit and legislative needs. i.e. software systems, certificate/license requirements.	Minutes of WHS & Leadership group meetings. 15/05/2024 RSA viewed draft version. 02.10.2024 RSA Sited minutes and final report.	Manager Human Resources & Financial Services
2	Written report of the findings of the induction & training review to be presented to the Leadership Group for consideration and action.	Report of review. Leadership Group meeting minutes 02.10.2024 RSA Sited minutes	Manager Human Resources & Financial Services
3	Develop a training/consultation survey for all East Waste staff to identify possible gaps or improvements in the current training program. The survey should but not be limited to training specific software programs, tooling, facilities & training providers etc.	Show survey 15/05/2024 RSA viewed draft version. 30/05/2024 RSA viewed amended draft. 12/06/2024 RSA confirmed and reviewed survey has been developed for drivers & Admin staff x2 surveys.	Risk & WHS Coordinator

4	Training/consultation survey document to be reviewed and approved by Executive Leadership Team.	Leadership Group meeting minutes. Evidence sited 09/09/2024. Minutes from LG 17/07/2024.	General Manager
5	Training/consultation survey to be rolled out to all East Waste staff by relevant managers.	Show results Evidence sited 09/09/2024. Survey and collated data.	Risk & WHS Coordinator
6	Training/consultation survey results to be reviewed and analysed by the General Manager. The General Manager to report the findings from the survey to Leadership Group & Work Health & Safety committee with recommendations for improvement.	Survey results report. Minutes of WHS & Leadership group meetings. 02.10.2024 RSA Sited minutes	Risk & WHS Coordinator
7	Leadership Group to analyse survey/consultation results of the Leadership Group and Work Health & Safety Committee and make recommendations to the General Manager to improve the systems training programs.	Minutes of WHS & leadership group Meetings. 02.10.2024 RSA Sited minutes	General Manager
8	Amend action plan to include and step out the identified and required recommendations approved by Executive Leadership Team from the consultation and survey process. This may include i.e. developing training programs, sourcing training providers or other requirements once determined.	Actions in Skytrust CAPA 02.10.2024 RSA sited Skytrust CAPA	Risk & WHS Coordinator
9	Review to be conducted on all position descriptions within East Waste to ensure all responsibilities and training requirements are captured in the Training Needs Analysis and current training program. Gaps identified from the Schemes Risk Audit findings should also be considered in the review process.	Report of review RSA sited Minutes 02.10.2024	Risk & WHS Coordinator
10	Update Position Description if and where any gaps have been identified as per authorisation of Executive Leadership Team. All amendments	Sample of updated PD's	General Manager

	should be in accordance ss per the East Waste Induction & Training Procedure & the Document Management Procedure.	RSA sited sample of PD'S 02.10.2024.	
11	Conduct a review against the amended position descriptions against the existing Training Needs Analysis in Skytrust. The review and updated to the Training Needs Analysis should align with updated position descriptions. i.e. as an organisation we are currently aware that there is no existing in truck scale calibration training provided to staff. The Training Needs Analysis & Training system should be updated to include this gap and any other gap identified.	Report of review. Minutes of WHS & leadership group meetings. RSA sited minutes 02.10.2024	Risk & WHS Coordinator
12	Training Needs Analysis in Skytrust for each job role to be updated as per the review where required. The Schedule review in Skytrust should also be updated as part of this process.	View updated TNA in Skytrust RSA sited TNA examples in Skytrust 02.10.2024.	Risk & WHS Coordinator
13	Leadership Group to undertake due diligence training provided by scheme. Invitation to also be extended to all East Waste board members to attend in the event that refresher training is required or has not been provided by the Member Council.	Training Certificate's 15/05/2024 Training undertaken by leadership group with LGRS on the 10/05/2024.	Manager, Business Services.
14	Executive Leadership Group to determine which East Waste managers will complete the LGAWCS psychosocial health safety checklist. A minimum of 2 employees are required for the size of the organisation.	Minutes of Leadership Group Meeting. Comment minutes not yet adopted to be raised at the next Leadership Group meeting on the 11/07/24. RSA sited minutes 02.10.2024	General Manager

15	Selected East Waste managers to complete the LGAWCS Psychosocial Workplace Checklists based on requirements of new WHS Regulations.	Completed checklist 15/05/2024 RSA confirmed that managers completed checklist	General Manager
16	Copies of the completed Psychosocial Workplace Checklists to be provided to the Risk & WHS Coordinator for review and sent to LGAWCS for sector wide assessment.	Email of provided check lists 15/05/2024 RSA confirmed that survey was completed and emailed	Risk & WHS Coordinator
17	Findings of the Psychosocial Workplace Checklists to be reported to the leadership group. The results to be analysed to determine if further actions are required from the findings or if a broader program is required to ensure compliance with the new WHS regulations. If further action is required work to be scheduled in plans with programs.	Minutes of Leadership Group Meeting. Comment 09/07/24 Leadership Group Meeting Scheduled for 11/07/2024. RSA sited minutes 10.02.2024.	Manager, Business Services.
18	Add identified risks from the Psychosocial Workplace checklist to the East Waste Risk Register and /or plans with programs if required by management review. Controls to be implemented where required.	Amended risk register and corrective action register RSA sited created actions 02.10.2024	Risk & WHS Coordinator

INDUCTION PROCESS			
19	Review and update the contractor management induction requirements for East Waste's 3 key contractors for specific contracts related to East Waste's operational risk register. (3 key highest risk contractors identified contractors are Bucher, Superior Pak, Liberty fuels). The review and system update are to be based on WHS contractor management procedure, including consultation, and legislative requirements and gaps identified from the Schemes PV Audit findings.	Induction review report. Minutes of leadership group meetings. RSA sited evidence for all 3 contractors action closed.0+9/09/2024	Manager, Operational Services
20	Executive Leadership Team to review the findings of the contractor management induction review process, make recommendations to improve the system and process of inducting East Waste contractors and action to implement any improvements required.	Induction review report. Minutes of leadership group meeting Minutes. RSA sited minutes and CAPA 10.02.2024.	Manager, Operational Services
21	WHS Committee to review the and approve the recommendations provided by the Executive Leadership Team to improve the system and process of inducting East Waste contractors.	Induction review report. Minutes WHS Committee meeting Minutes. RSA sited minutes and CAPA 10.02.2024.	Risk & WHS Coordinator
22	Develop a training/consultation survey for East Waste contractors as identified above to identify possible gaps or improvements. The survey should consider East Waste's WHS site requirements, training in specific software programs, tooling, sign in and out process for working on site after hours. The survey needs to be designed to targeted to audience of the three contractors in consultation with contract managers of all parties.	Copy of Survey 12/06/2024 RSA confirmed and reviewed survey has been developed for contractors.	Risk & WHS Coordinator

23	Draft contractor management induction and training survey to be reviewed and approved by Executive Leadership Team.	Minutes of Leadership Group meeting. Comment to be confirmed and approved at next meeting on the 11/07/24. GG 29/07/2024 survey and minutes sighted action to be closed out.	General Manager
24	Approved induction/ training survey to be provided and completed by 3 key contractors identified.	Survey results Evidence of submission of document by all 3 contractors sited 09/09/2024.	Risk & WHS Coordinator
25	Review, analyse and report the survey/consultation findings on contractor induction/training. Report the findings of the survey to leadership group & WHS committee for analysis and recommendation of actions as required.	Survey results report. Minutes of WHS & Leadership group meetings. RSA sited minutes 10.02.2024.	Risk & WHS Coordinator
26	Review the current process and practices as per the contractor management procedure and the Schemes Risk Audit findings. Create a Skytrust group induction process for contractors and ensure all relevant training and induction process, license requirements are in place as per East Waste's contractor management procedure.	Minutes of WHS & leadership group meetings. RSA sited minutes and Skytrust induction process.02.2024	Risk & WHS Coordinator
27	Develop a Skytrust contractor management group induction process tailored for individual specific contractors based on risk and type of work being performed. Induction should be a two-part stage process aligned with the contractor management procedure.	Amended Skytrust group induction. Minutes of WHS & leadership group meetings.	Risk & WHS Coordinator

28	Review the East Waste visitor induction process and procedure with a view to moving towards an electronic process to ensure all requirements are captured for all attendees on and off site. The review should consider but not be limited to site-specific safety requirements, incident notification, health requirements relating to the contractor checklist found in the East Waste contractor management procedure.	Review report. Minutes of WHS & leadership group meetings. RSA sited minutes and Skytrust induction process.02.2024	Manager Human Resources & Financial Services
29	Consult and report on the findings of the visitor induction process review with the Leadership Group and WHS Committee.	Minutes of WHS & leadership group meetings. RSA sited minutes 02.10.2024	Manager, Business Services.
30	Amend the action plan to include and step out the identified and required recommendations approved by ELT from the consultation and survey process of the induction review. This may include i.e. developing training programs, sourcing training providers or other requirements identified.	Action plan stepped out as required refer 4 below actions.	Risk & WHS Coordinator
30A	Source iPad for visitor sign in for front office and lockdown the setting so that the device can only be used for Skytrust sign in Process	Site iPad Minutes of WHS & leadership group meetings implementation. RSA sited minutes and sited sign in process 02.10.2024. Refer to iPad at front	Manager, Business Services.
30B	Develop procedure for customer service staff to set up Skytrust sign in process.	Skytrust Procedure RSA sited procedure 02.10.2024 Refer to LG Minutes 20/08/2024 WHS minutes 26/09/2024 & procedure in Skytrust.	Manager, Business Services.

30C	Develop Skytrust training evaluation for Skytrust sign in process procedure.	Skytrust Training Evaluation\ RSA sited evaluations and training records 10.02.2024	Manager, Business Services.
30D	Customer Service Staff to undertake sign in register procedure evaluation	Skytrust TNA completed evaluation RSA sited relevant completed TNA	Manager, Business Services.
31	Implement the approved improvements of the induction process as agreed with Leadership Group and WHS Committee.	Possible training programs, amended contractor list for new training providers, Minutes of WHS & leadership group meetings. RSA view supplier list in Skytrust and relevant minutes 02.10.2024.	Manager, Business Services.
32	Develop and implement a Skytrust group induction process for East Waste visitors as per above actions.	View Skytrust Group induction Skytrust induction sited 09/09/2024.	Risk & WHS Coordinator
33	Amend the induction process/system and checklist in Skytrust for all staff and visitors based on review and recommendations as per above actions.	View Skytrust Group induction. Check Lists RSA viewed Skytrust inductions lists and relevant minutes 02.10.2024.	Risk & WHS Coordinator

34	Amend current induction process and checklist in Skytrust for contractors in Skytrust for 3 contractors based on review and recommendations as per above actions.	View Skytrust inductions. Minutes of WHS & leadership group meetings. RSA reviewed relevant minutes 02.10.2024	Risk & WHS Coordinator
35	Review East Waste's induction/training requirements for all staff. The system review should consider the possible use of video training resources, training providers, evaluations of training competencies and the Schemes Risk Audit findings. The review should be undertaken in consultation with East Waste's Leadership Group and WHS Committee.	Review Report, WHS Minutes, Leadership Group Minutes. RSA sited minutes 02.10.2024	Manager, Business Services
36	Report the findings of East Waste's induction/training requirements review to the Leadership Group to analyse and recommend actions and improvements from the findings.	Minutes Leadership Group RSA sited minutes 02.10.2024	Manager, Business Services.
37	Develop the new training and induction systems and process recommended and approved as per the above actions. Improvements may include developing training videos, the introduction of virtual reality training programs or any other gaps identified, where appropriate in the process should link to Skytrust.	View training videos RSA view developed training videos 02.10.2024.	Risk & WHS Coordinator
38	Amend action plan and or include required actions identified as above or include identified actions into East Waste's corrective action register.	Actions in Skytrust CAPA RSA viewed Skytrust CAPA to included development of other video training programs 02.10.2024.	Risk & WHS Coordinator

HAZARD MANAGEMENT - PLANT & EQUIPMENT

39	Develop Verification of Competency for small, powered plant and equipment used by East Waste employees as per the Schemes Risk Audit findings. Identified plant to include angle grinder, drill press, Mig welder, drop saw, bench grinder. The development of the VOC to be undertaken in consultation relevant managers and workers.	VOC competency for each powered plant. RSA sited x5 VOC approved documents and draft versions.	Manager, Operational Services
40	Risk & WHS Coordinator to present the draft VOCs to the Leadership Group and the WHS Committee. The Leadership Group and the WHS Committee to analyse and review the developed VOC's and make any recommended improvements.	Minutes of WHS & leadership group meetings. RSA sited all relevant minutes 10.02.2024.	Risk & WHS Coordinator
41	Update VOC's where required as per authorisation of leadership group & WHS committee and submit for approval.	Updated VOC's RSA sited all VOC's and relevant minutes 10.02.2024.	Risk & WHS Coordinator
42	Implement any process or systems improvements of the VOC process recommended by Leadership Group and WHS Committee, in accordance with East Waste's Plant Procedure.	View amended VOC RSA sited all relevant minutes 10.02.2024.	Manager, Operational Services
43	Develop training competencies and evaluations in Skytrust for the verification of competencies.	View new competencies. Skytrust Competencies and TNA's viewed in Skytrust 02.10.2024.	Risk & WHS Coordinator
44	Identify relevant staff that are required to use the small, powered plant. Amend the TNA in Skytrust accordingly to the required job roles identified. Ensure the required competencies and evaluations have set review dates throughout the process to enhance the systems process.	View Amended TNA in Skytrust. RSA view amended TNA in Skytrust 02.10.2024.	Risk & WHS Coordinator

45	All identified staff to undertake the required staff to undertake the identified training and competencies as per above.	View training records RSA sited sampled of completed training records 02.10.2024.	Coordinator, Operational Services
46	Evaluate the effectiveness of new developed training as per training surveys in Skytrust. Identify opportunities to improve training and implement if required.	View training record feedback in Skytrust. Feedback sited by RSA 02.10.2024.	Risk & WHS Coordinator
47	Leadership Group to review, recommend improvement for recommended internal system for monitoring, recording, and reviewing overweight vehicles.	Leadership Group meeting minutes. RSA sited relevant minutes 02.10.2024.	General Manager
48	Develop an internal system for monitoring, recording, and reviewing overweight vehicles. The system should have a mechanism to report all breaches to the responsible officers in a timely matter. The system should be live a report similar to Power BI apps, the report should state how much the vehicle is overweight the percentage overweight, the vehicle overweight and the driver/operator of the vehicle.	Developed System 15/05/2024 RSA reviewed software program power apps with email notifications of breaches. Still in development. 30/05/2024 RSA has viewed Bi software package developed and in operation.	Manager, Business Services
49	General Manager to approve internal system for monitoring, recording, and reviewing overweight vehicles.	Leadership Group meeting minutes. Comment to be confirmed and approved at next meeting on the 11/07/24. GG Sighted minutes on the approval on the 29/07/2024.	General Manager

50	Risk & WHS Coordinator to upload approved systems documents for recording actions of overweight breaches of vehicles and employees into Skytrust with review dates etc.	Skytrust documents Sited Skytrust entries and email evidence.	Risk & WHS Coordinator
51	It has been identified that currently there is no East Waste documented process for calibrating on board weighing systems in Superior-Pak collection vehicles. This process to be captured via Safe Work Instructions. RACV side loader SWI to be amended to include the calibration process.	Amenda SWI 12/06/2024 RSA confirmed and reviewed completed and amended SWI	Risk & WHS Coordinator
52	Develop a Skytrust training and competency module for calibrating onboard vehicle weighing systems in collection vehicles to match operational manual from manufacturer (to be implemented next year).	Skytrust training module, TNA, 12/06/2024 RSA confirmed and reviewed Skytrust induction training questionnaire.	Risk & WHS Coordinator

9.10 Single Use Plastics Review

Report Author Acting General Manager

Attachments A: Review of the Single-use and Other Plastic Products Submission

Purpose and Context

To provide the Audit & Risk Management Committee (the Committee) with a copy of East Waste's submission to the State Government's *Independent Review of the Single-use and Other Plastic Products (Waste Avoidance) Act 2020*.

Recommendation

That the Audit & Risk Management Committee notes the Single-use and Other Plastic Products Submission (Attachment A, Item 9.10, Audit & Risk Management Committee Meeting 13 November 2024) and recommends presentation to the East Waste Board.

Strategic Link

Objective 5. Provide Leadership

Strategy 5.2 Advocate on behalf of our Member Councils

Background

The *Single-Use and Other Plastic Products (Waste Avoidance Act) 2020* (SUP Act) commenced in South Australia on 1 March 2021, making it the first state in Australia to legislate a ban on single-use and other specified plastic items. The Act is overseen by the Minister for Climate, Water, and Environment, the Hon Dr Susan Close MP.

As stipulated by the SUP Act, an independent review is required to occur after three years. This review will assess the impact on the community of the SUP Act's key provisions (Parts 2 and 3), as well as evaluate any public information campaigns conducted by or on behalf of the government aimed at reducing plastic usage and increasing plastic recycling. The review may also consider additional topics deemed relevant by the Minister.

The Terms of Reference for the review outline objectives such as updating definitions, addressing harmful chemicals, mandating reusable food and beverage containers in specific settings or large public events, and exploring opportunities to harmonise the Act with similar legislation across other Australian states and New Zealand.

A report summarising the review findings and offering recommendations for potential amendments to the SUP Act will be provided to the Deputy Premier by December 2024.

Report

As part of the independent review of the *Single-Use and Other Plastic Products (Waste Avoidance) Act 2020* (SUP Act), the State Government invited community feedback to inform a recommendation report to the Deputy Premier.

The review process included a Discussion Paper on the SUP Act, which provided context on current legislative impacts and presented a series of key questions for stakeholders. The review aims to:

- Assess the community impact of the SUP Act to date.
- Identify opportunities to refine the legislation, ensuring it remains responsive to evolving challenges.

For the Committee's reference, a copy of East Waste's submission to the review is included as **Attachment A** to this report.

Conclusion

East Waste has conducted a comprehensive review of the impact and effectiveness of the *Single-Use and Other Plastic Products (Waste Avoidance) Act 2020* over the past three (3) years.

The submission provided by East Waste highlights key successes within the current framework while recommending improvements, including clearer definitions within the Act and enhanced guidance for future bans. Drawing on our experience implementing reusable items at events, we provide insights to support the Act's objectives. The Submission also highlights the need for accessible public collection systems for compostable takeaway materials, which is essential for achieving waste diversion goals and fostering community behaviour change.



10 October 2024

Attn: SUP Act Review

Green Industries SA

GPO Box 1047

ADELAIDE SA 5001

GISA.sup@sa.gov.au

Dear Sir/Madam,

Independent Review of the Single-use and Other Plastic Products (Waste Avoidance) Act 2020

East Waste thanks the State Government for affording us the opportunity to provide feedback and commentary on the operation and effectiveness of the *Single-use and Other Plastic Products (Waste Avoidance) Act 2020* (the Act) during its first 3 years of operation. East Waste has been a strong supporter of the legislative changes during each iteration as we understand the broad environmental impacts these items have and regularly see many of the items reoccurring at high rates in both our collected comingled recycling and organics streams and are extremely expensive for processors to manage.

For context, East Waste is a regional subsidiary of eight Councils, being Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Mitcham, City of Norwood Payneham & St Peters, City of Prospect, City of Unley and the Corporation of the Town of Walkerville. On behalf of these Member Councils, East Waste manage approximately twenty five percent (25%) of metropolitan Adelaide's kerbside municipal waste, organics, and recycling with a modern fleet and shared services model and completes over 9 million kerbside bin collections every year. East Waste has long been involved in the waste industry with our origins commencing 96 years ago in 1928.

Our response in the attached focuses on single-use items that pose challenges regarding recyclability and contribute to contamination in co-mingled recycling and green organics streams. Addressing contamination remains a top priority for our Member Councils, as highlighted in the Key Performance Indicators (KPIs) outlined in our Strategic Plan, which aims to reduce the average contamination rate of the kerbside co-mingled recycling stream to less than 7 percent by weight. Education is crucial to the success of these initiatives, and East Waste continues to contribute strongly within the community by promoting awareness and understanding of waste avoidance and correct recycling and disposal practices.

Diverting waste from landfill not only results in substantial financial savings but also significantly reduces carbon emissions for our Member Councils. Transitioning to recyclable or compostable

alternatives is a vital step in minimising the amount of waste directed to landfill. We advocate for prioritising options higher up the waste hierarchy, which allows for greater support of reusable and returnable packaging.

In the attached response we highlight the successful elements of the current framework and propose improvements for clearer definitions within the Act and its application for future bans, offering insights from our experiences on implementing reusable items at events. We also emphasise the importance of public collection systems for compostable takeaway materials to support waste diversion goals and encourage community behaviour change.

In summary, while the current framework has successfully laid the foundation for reducing single-use plastics and supporting improved environmental outcomes, there is room for improvement. Clearer definitions within the Act will provide more precise guidance for its future application to ensure consistency and effectiveness. Drawing on our practical experiences with reusable items at events, we have highlighted key considerations for consideration of reusable containers at events. Early delivery of education through a comprehensive communications plan, in collaboration with councils and industry, is essential to engage both the community and businesses. This approach will ensure that they understand the changes, how to adapt, and are aware of the correct disposal of items in both public spaces and at home.

Careful consideration in implementing appropriate green organics/FOGO collection bins in public places is essential for collecting compostable takeaway items and diverting them from landfill as intended. This initiative must be backed by clear and effective education that reinforces 'take home' messages and encourages behaviour change. With these improvements, we can achieve positive environmental outcomes and support behaviour change within the community.

Once again thanks for the opportunity to provide comment and East Waste looks forward to continuing to support the State Government in this endeavour and other waste related matters. Should you require any further information in relation to this submission, please don't hesitate to contact me on return email, robq@eastwaste.com, or phone, 0417 466 929.

Kind Regards



ROB GREGORY
GENERAL MANAGER

Review of the Single-use and Other Plastic Products (Waste Avoidance) Act 2020 – South Australia

1. As a consumer, do you think that the current scheme under Part 2 of the Act, relating to the banning of specified kinds of single-use and other plastic products, is working well?

Yes, the current scheme appears to be working well from a consumer perspective. The phased-out bans have targeted widely used single-use plastics such as straws, cutlery, and polystyrene containers, all of which are known for contributing significantly to litter as well as causing contamination issues in Organics and Recycling. By gradually rolling out these bans, it has allowed both consumers and businesses to adjust and adopt alternatives.

2. As a consumer, do you support the bans and have you noticed a difference since the bans were introduced? What have been the impacts from your perspective?

East Waste supports the bans as they align with the broader goal of environmental sustainability and waste reduction. Since their introduction, there has been a noticeable decrease in the presence of single-use plastics in retail and food service sectors. Alternatives such as paper straws, wooden cutlery, and cardboard food containers are more commonly seen. From a consumer's viewpoint, the transition has been relatively smooth, with only minor inconveniences in some cases, such as the durability of paper straws.

3. As a member of the community, are you willing to adopt more sustainable products and practices associated with the banning of plastic products even if this comes at a cost or may cause inconvenience?

Yes, East Waste is committed to adopting more sustainable products and practices and we support our Member Councils and community to do the same, even if it comes with some inconvenience. With respect to cost this needs to be supported and well considered, to ensure the impact on cost of living and marginalised community groups are not adversely impacted. The environmental benefits of reducing plastic waste, especially in terms of reducing landfill and pollution, outweigh the inconveniences. As more people adjust, the market will likely provide even better affordable alternatives, and sustainable habits will become second nature.

4. As a manufacturer, producer, importer or other business operator, during the first 3 years of operation of the legislation (2021, 2022 and 2023), do you consider that you were given sufficient time to prepare for each set of bans introduced under the Act and regulations?

Although we are not a manufacturer or producer, we believe the gradual introduction of each ban should have given businesses enough time to prepare, provided that communications were clear and delivered well in advance. The staggered timeline across 2021, 2022, and 2023 allowed businesses to adjust their supply chains, find alternatives, and inform consumers about the changes. Overall, this approach seems to strike a reasonable balance between urgency and practicality.

5. If you operate a business that has been impacted by a ban, have you had access to suitable alternatives? Have you had to bear any additional costs on account of the introduction of a ban or bans?

Although we are not a business impacted by the bans, alternatives such as compostable or reusable materials have been readily available, though sometimes at a higher cost. For example, replacing polystyrene with cardboard and other compostable food containers can be more expensive. While these costs may initially impact profit margins, many businesses likely pass them on to consumers. Over time, as demand for sustainable products increases, costs are expected to decrease due to economies of scale. The transition may have involved upfront costs for retooling and retraining staff, which may have also incurred some marginal costs.

East Waste has assisted our Member Councils in transitioning from oxo-degradable dog waste bags to certified compostable alternatives by procuring them in bulk, which has reduced the price per unit and allowed us to pass on the savings to our Councils.

6. What steps (if any) have you been required to take in connection with the banning of a particular plastic product?

In response to the banning of certain plastic products, East Waste has actively contributed by providing feedback and insights to the State Government during consultation periods, including offering waste audit data to highlight problematic plastics that contribute to contamination. We have also taken key steps to support councils and communities in complying with the bans by delivering education campaigns to inform residents and businesses about prohibited items and encouraging the use of sustainable alternatives. Through collaboration with councils and Plastic Free SA, we've leveraged initiatives like the 'Replace the Waste' and 'Plastic Free July' campaigns to enhance public awareness. Additionally, we've worked with councils to introduce Green/FOGO bins for compostable items at community events and public spaces.

7. How well do you think that consultation conducted in relation to proposed regulations under Part 2 of the Act (including in relation to exemptions) have gone to date?

Consultation around the proposed regulations has generally been effective, with most stakeholders having opportunities to provide input, especially during public consultation periods. However, there is room for improvement, particularly in engaging smaller businesses that may not have had easy access to these discussions. While councils were a key tool in disseminating information, they weren't always provided with clear direction or adequate time to effectively engage with local businesses. We believe the process could have been enhanced through more direct contact with businesses, such as in-person or online information events. As a leading education body, we value clear communication and early notification of regulatory changes, as this helps us better support councils and the public in adapting to new requirements.

8. As a consumer or business operator, please outline the extent to which potentially undesirable impacts associated with introduction of new classes of prohibited plastic products by regulation have been avoided.

From a waste management perspective, the transition has been smooth for the most part, and we have been able to mitigate many of the potential negative impacts. For example, through ongoing education efforts, we've helped to minimise confusion around which products are banned, ensuring that residents and businesses adopt compliant alternatives. While there have been some initial challenges in the availability of alternatives and concerns about higher costs, most issues have

been addressed over time, particularly through increased collaboration between councils, suppliers, and waste management services.

9. Do you think that the current scheme under Part 3 of the Act, relating to the banning of oxo-degradable plastic products, is working well?

Overall, the current scheme under Part 3 of the Act has shown positive progress. The prohibition on oxo-degradable plastic products aligns with global best practices and helps reduce plastic pollution. However, there are concerns about some councils circumventing the intent of the ban by supplying 'landfill degradable' dog waste bags instead of certified compostable alternatives, which still contribute to plastic pollution especially when littered near rivers and along beaches. Similarly it adds to the general public confusion over 'compostable' items and leads to contamination within the organics stream.

10. What affect has this ban had on members of the South Australian community from your perspective?

From our perspective as a waste collection contractor, the ban has prompted increased awareness among the community about plastic pollution and the importance of sustainable waste management practices. Many councils now provide certified compostable dog waste bags to residents in parks and reserves, promoting environmentally friendly options. However, the emergence of 'landfill degradable' bags by some other (non-East Waste) Councils undermines these efforts and can confuse residents regarding their proper disposal.

11. If you operate a business that has been impacted by the banning of oxo-degradable plastic products, have you had access to suitable alternatives? Have you had to bear any additional costs on account of the introduction of the ban?

East Waste procures compostable dog waste bags in bulk from BioBag on behalf of our member Councils, allowing them to access a cost-effective alternative. This collaboration also supports a local South Australian supplier while ensuring that the community has access to certified compostable options. While there were initial adjustments, the cost-effectiveness of bulk procurement has helped to reduce additional costs associated with the ban for our Member Councils.

12. Are you aware of any new business models or approaches that have been developed or adopted since the ban on oxo-degradable plastic products commenced in South Australia? If so, please provide some details.

Since the ban, we have seen a shift towards more sustainable product sourcing among councils. East Waste's initiative to bulk procure compostable dog waste bags demonstrates a proactive approach to addressing the ban and supporting local suppliers. This model not only enhances sustainability but also fosters collaboration among councils.

13. As a member of the community, are you willing to adopt more sustainable products and practices associated with banning oxo-degradable plastic products, even if this comes at a cost or may cause inconvenience?

As a member of the community and industry, we support the adoption of more sustainable products and practices associated with the ban on oxo-degradable plastics. All East Waste

councils provide easy access to certified compostable dog waste bags within their parks and reserves, making it convenient for residents to choose environmentally responsible options. Convenient disposal options are available through initiatives like the ‘*Doggie Dunnies*’ in the City of Burnside, City of Mitcham and City of Prospect, where both the compostable bags and dog waste are collected for composting. These initiatives not only promote responsible waste disposal within our communities but also help reduce landfill costs for Councils.

14. Do you have a view about the effect that the prohibitions that apply under Part 3 of the Act have had on the environment, waste management and the principles of the circular economy? Please feel free to provide any comments or information about these matters

The prohibitions under Part 3 of the Act have positively impacted the environment and waste management by reducing the availability of harmful plastic products. However, the loophole allowing 'landfill degradable' bags raises concerns about ongoing plastic pollution, particularly in vulnerable areas near rivers and beaches.

The transition away from oxo-degradable plastics also supports the broader goals of reducing landfill waste and enhancing resource recovery. By discouraging the use of products that are not aligned with sustainable practices, the Act encourages a shift towards a circular economy where resources may be composted through the use of certified compostable alternatives.

15. Do you think that the South Australian definition of “plastic” is satisfactory?

The current definition of 'plastic' in South Australia is not entirely satisfactory. We advocate for a clearer definition that aligns with the definitions used in Western Australia and by the UN, while specifically identifying plastics as synthetic materials derived from petrochemicals (fossil fuels). We recommend removing the reference to “organic polymers, whether plant extracts,” as this is confusing and does not effectively distinguish between chemical plastics and compostable polymers made from renewable plant materials, which are designed to break down.

This clarification would facilitate the effective enforcement of regulations and ensure that all stakeholders understand what is encompassed by this term. A standardised definition could promote consistency and enhance compliance among businesses and consumers.

16. Do you think that the Western Australian definition is a better alternative

Yes, we believe the Western Australian definition may be a better alternative as it more accurately captures the essence of what constitutes plastic. Adopting this definition would enhance clarity and promote greater harmonisation across Australian jurisdictions. Additionally, supporting this definition with clear labels for compostable alternatives, for example described as “*plants, not plastic*” could further clarify the distinctions between plastic and compostable products, making it easier for consumers and businesses to understand and comply with the regulations.

17. Do you have a particular view about the South Australian definition of “oxo-degradable plastic” in the Act? 18. Do you think that the Western Australian definition of “degradable plastic” is a better alternative?

We believe the South Australian definition of 'oxo-degradable plastic' does not adequately convey the harm these materials cause. In revising it, we recommend excluding the term 'biodegradable,' as it is particularly misleading. While 'biodegradable' often refers to plastics that break down into

small fragments, similar to oxo-degradable plastics, it is also frequently associated with compostable alternatives, which adds to the confusion. Countries like France, following Belgium in the EU, and jurisdictions such as California have banned the marketing term 'biodegradable' for plastics due to these complications. It is crucial that regulations promote certified compostable products, which provide environmentally responsible alternatives to oxo-degradable and other plastics.

19. Do you think that the South Australian definition of “single-use” is satisfactory?

The South Australian definition of “single-use” may be too vague, as it allows for interpretation regarding what constitutes a “limited number of times.” We support a more explicit definition, perhaps borrowing from the New South Wales framework, to avoid confusion and enhance enforcement.

20. Do you think that a definition based on the New South Wales definition is a better alternative, which would be that “single-use”, in relation to a product, means a product designed or intended to be, or ordinarily, used only once for a particular purpose, whether or not the product is or can be: (a) re-used for the same or another purpose; or (b) used for more than one purpose; or (c) recycled.

Yes, the New South Wales definition provides greater clarity regarding what constitutes a single-use item by emphasising the typical usage scenario. This would help in enforcing the regulations more effectively and in educating the public about the intent of the legislation. Also looking to well known campaigns such as ‘Plastic Free July’ which refers to single-use plastics as ‘something used once and then thrown ‘away’ – a lightweight but durable product (primarily made from fossil fuels) that we use once, sometimes for just a few minutes, before disposal.’

21. Are you aware of any public information campaigns that have been conducted by or on behalf of the State Government in relation to reducing the use of problematic plastic products and increasing the uptake of compostable or reusable products? If so, please provide some information about what you recall about any campaign.

Yes, we are aware of the “Replace the Waste” campaign, which has been a key initiative by the State Government aimed at reducing problematic plastic products. This campaign includes educational resources to inform the community about banned single-use plastic items and promote the use of compostable and reusable alternatives. While the “Replace the Waste” campaign has made a significant impact, we believe there is room for expansion in outreach and communication strategies to ensure all stakeholders are well-informed.

In addition to this, we also recognise the internationally renowned “Plastic Free July” campaign, which focuses on swapping single-use plastics for reusable and compostable alternatives. East Waste has actively promoted this campaign through information sessions and community education stalls for many years now. These sessions have often been co-facilitating with ‘Plastic Free SA’ a program working directly with food retailers, an initiative of Boomerang Alliance supported by GISA.

22. Are you aware of the “Replace the Waste” website? How often, or on how many occasions, have you visited this website?

Yes, we are aware of the “Replace the Waste” website and have visited it multiple times to access resources and updates regarding the plastic bans and alternative products. The materials provided have included guidelines on compliance, tips and resources for businesses to understand the implications of the bans, how to source compostable alternatives as well as explore reusable options and communicate this with their customers.

23. Do you think that you have learnt something about the use of single-use plastics, or other plastic items or materials, or about appropriate disposal pathways and reusable alternatives, as a result of a public information campaign or via the “Replace the Waste” website?

East Waste is already well aware of the issues surrounding single-use plastics, appropriate disposal options, and reusable alternatives, we have been actively educating the community and supporting initiatives like this for many years. The “Replace the Waste” website and resources have provided another valuable platform to support our existing education and advocacy about single-use plastic bans.

24. Do you feel that enough has been done by the State Government in relation to providing information about the use of single-use plastics, reusable options or alternative items or materials?

While the State Government has made commendable efforts through the “Replace the Waste” campaign, we believe more can be done to enhance its impact. Increasing promotions through various channels, particularly on social media, is essential. Currently, there are very few posts or followers on the ‘Replace the Waste’ Facebook and Instagram pages, and we believe these platforms have been underutilised despite their effectiveness in dispersing information to the community. Increasing the frequency of radio ads, public signage, and possibly TV advertising would also help improve public engagement.

Additionally, providing East Waste, Councils, and KESAB with detailed communication plans and timelines well in advance (at least 3 months prior) to assist with informing local businesses and communities would ensure a smoother and more effective transition.

25. As a member of the community, do you know anything about the phasing out of PFAS in plastic packaging or other plastic products?

As members of both the community and the industry, we are aware of the ongoing discussions regarding the phasing out of PFAS (per- and polyfluoroalkyl substances) in plastic packaging and other plastic products. East Waste has significant concerns about the contamination of compost materials, as PFAS can persist in the environment and potentially compromise the quality of compost produced. This poses a risk to the waste industry, where stringent standards are essential to ensure that compost is safe for agricultural use and other applications.

Additionally, if PFAS is not effectively eliminated from plastic products, it could undermine public confidence. Trust in these systems is crucial for promoting community engagement and compliance with waste reduction, recycling, and composting efforts. Therefore, ensuring that

harmful substances like PFAS are removed from the source is vital for fostering behaviour change toward a sustainable and environmentally responsible future.

26. As a business operator, do you see any practical difficulties in phasing out PFAS in plastic packaging or other plastic products?

One of our primary concerns is whether there are viable and effective alternatives to PFAS that do not introduce new environmental or health risks. The transition to substitute materials must be carefully assessed to ensure they maintain safety and efficacy in packaging and product performance. While we support the goal of phasing out PFAS, it is crucial to thoroughly evaluate the implications of any replacements to ensure they are genuinely sustainable and do not create further complications for the environment or public health. Through the PFAS out process of PFAS, it is important that waste collection agencies, Landfill operators and Composters are not unduly burdened with the management of it. Until legislation address the source it is inappropriate to burden end of pipe processors.

27. As a manufacturer, producer or other business operator, please provide information about any steps that you have taken to avoid the use of PFAS, or a product or material that uses PFAS. Has this come at a significant cost?

N/A

28. Would you support action to ban the use of PFAS in items or materials that are designed to be composted?

Yes, we fully support banning the use of PFAS in items or materials designed to be composted. This action is essential for ensuring the integrity, safety, and quality of compost material, which is vital for environmental sustainability and public health. It also simplifies education and promotion efforts surrounding compostable packaging. By prohibiting PFAS in compostable items, we can safeguard the composting process, maintain the quality of the end product, and enhance community confidence in compostable packaging and processing.

29. Do you know of any decisions that businesses have made to no longer use other chemicals in the production of plastic because of concerns about their impact on human health or the environment? If so, please provide some details.

East Waste is aware of various businesses making decisions to phase out harmful chemicals in the production of plastics due to concerns about their impact on human health and the environment. For example, some manufacturers have stopped using phthalates and bisphenol A (BPA) in their products in response to public health concerns and regulatory pressure. These shifts are increasingly driven by consumer demand for safer, more sustainable products and a commitment to reducing harmful environmental impacts.

30. Would you support banning the use of specified chemicals, identified in regulations under the Act, in the production of plastic? Do you have a view as to which chemicals should be banned?

Yes, we support banning the use of specified harmful chemicals identified in regulations under the Act in the production of plastic. It is crucial to prioritise human and environmental health by eliminating substances that pose risks, such as those that are persistent, bioaccumulative, toxic, or

endocrine disruptors. Chemicals like PFAS, phthalates, and certain flame retardants should be among those targeted for prohibition, as they have been linked to significant environmental and health concerns. By banning these chemicals, we can promote safer and sustainable alternatives.

31. Would you support a proposal that action be taken so that any plastic product that is banned in another State or Territory, but not in South Australia, is also banned in South Australia at an appropriate time (subject to appropriate consultation and final assessment of a particular ban being workable and appropriate)?

Yes, East Waste supports the proposal to align South Australia's plastic bans with those enacted in other States or Territories. This harmonisation can provide clarity for businesses and consumers, facilitating smoother transitions and compliance. We believe it is essential to conduct appropriate consultations to assess the practicality and effectiveness of any proposed bans, ensuring that they are workable for our local context. By aligning with national efforts, South Australia can enhance its leadership role in environmental protection and waste reduction.

32. Do you think that it would be worthwhile setting out specific criteria to be considered when deciding whether a particular plastic product should be prohibited? If so, what do you consider to be some important criteria or considerations?

Yes, it would be beneficial to establish specific criteria for determining whether a plastic product should be prohibited. Some important criteria to consider include:

1. **Environmental impact:** Assessing whether the product contributes significantly to pollution, litter, or harm to wildlife and ecosystems.
2. **Human health risks:** Evaluating the potential health risks associated with the production, use, or disposal of the product, including toxic chemical leaching.
3. **Availability of alternatives:** Identifying if there are readily available and affordable alternatives that support a circular economy.
4. **Recyclability:** Considering how easily the product can be collected, sorted at MRFs and recycled through existing systems, and whether there are strong markets for the recycled material.
5. **Community and industry feedback:** Gathering input from stakeholders, including local businesses, community groups, and environmental organisations, to understand the implications of a ban.
6. **Feasibility of implementation:** Analysing the logistical and economic aspects of enforcing the ban and the capacity of local systems to adapt.

By using these criteria, the decision-making process can be more transparent and grounded in a comprehensive understanding of the implications of banning specific plastic products.

33. Would you support requirements that reusable food and beverage containers must be used in certain settings or at large public events? Would you be willing to pay for an additional charge to cover the cost of using reusable containers?

While East Waste supports the requirement for reusable food and beverage containers at specific venues and large public events, careful consideration of logistics, education, and management is essential to ensure successful implementation and achieve the desired waste reduction outcomes.

Transitioning to reusable containers at events offers great potential for reducing waste and fostering a culture of reuse within communities. This also aligns with our commitment to minimising waste by prioritising the use of reusable alternatives, which is a higher priority in the waste hierarchy.

The positive response to the 'E-Cups' initiative at the Moonlight Markets demonstrates that patrons are willing to embrace reusables, particularly when they feel a sense of responsibility and pride in reducing waste at events. Our experience shows that most patrons are open to paying a small one-off fee, such as \$2, to support the use of reusable containers. However, addressing logistical challenges is essential for creating an efficient and effective system, as implementation and management can be labour-intensive, potentially offsetting cost savings from waste reduction.

34. If requirements were to be introduced under the Act, do you have any views about the types or size of an event that should be subject to a requirement to use reusable food and beverage containers?

It would be beneficial to apply requirements to major community events, festivals, and sporting events that generate significant waste. Such events typically have the infrastructure and patron traffic to justify a shift towards reusable containers. The experience from the Moonlight Markets shows that larger gatherings can successfully integrate reusable systems, provided that logistical challenges are addressed.

Some of the large community events and venues that are already utilising reusable cups are 'Gluttony', 'The Garden of Unearthly Delights', 'Chilled Out n Fired Up Music Festival', 'Grand Bar,' 'Brighton Surf Life Saving Club,' 'Brighton Jetty Classic,' 'Southern Rugby Association,' '24 Nightcliff Seabreeze Festival' and 'Adelaide Oval.'

35. If you have conducted or participated in a significant event where food or beverage containers were collected and reused, how was this managed and how successful were the outcomes? Did you seek or use any advice or resources to assist you in managing these types of containers?

East Waste supported the Campbelltown Moonlight Markets by implementing reusable 'E-Cups' for cold beverages during the 2022 and 2023 season events. This initiative reduced single-use plastics and facilitated an overall reduction in waste generated at these large community events. A small, once-off fee of \$2 was charged for the cups, which was generally well accepted by patrons. Although there were initial concerns about the charge from vendors, it didn't prove to be a barrier. Patrons welcomed the initiative after appreciating the waste reduction benefits, understanding that the cups could be returned and swapped for other drinks with no additional fee.

However, we encountered several challenges, including:

1. **Incorrect disposal:** Despite many clearly marked blue eCup bins for returning reusable cups and diligent bin monitoring throughout the event, many cups ended up in the wrong bins (yellow recycling, green organics, and landfill).
2. **Labor-intensive management:** The process of emptying the blue eCup bins, collecting, rinsing, stacking, and bagging the cups proved time-consuming.
3. **Retention issues:** We experienced quite a large number of lost cups at the end of each event, either through placing them in the wrong bins or some patrons taking the cups home rather than returning them.

4. **Open access:** With multiple entry points to the event, it was challenging to provide information and distribute or collect cups at a central or controlled location.
5. **Vendor Distribution:** Vendors were located in two separate areas, making it impractical to have a centralised location for purchasing and returning cups without inconveniencing patrons.
6. **No onsite wash-bay:** This was unfeasible due to challenges related to water access, power supply, and safe drainage at Thorndon Park.

To address these challenges, we implemented several measures:

1. **Clear signage:** We provided bins with clear signage and tear drop banners to encourage the return of the cups for reuse.
2. **Vendor communication:** Vendors were instructed to inform patrons about how to purchase and return the cups. Signage was also placed at the vendor locations with clear instructions.
3. **Encouraging proper disposal:** We requested vendors to advise patrons to place cups in the designated blue 'Reggie' bins after use.
4. **On-site assistance:** Bin monitors were stationed at main bin banks to guide patrons in placing 'eCups' in the correct bins.
5. **Social media campaigns:** We promoted the reusable cups through social media communications to raise awareness about the 'eCups' and their proper usage.
6. **Educational outreach:** An education stand was set up, providing flyers and advice on the cups.

While we have partnered with eCup and Council to implement the reusable cups initiative, we are uncertain if future events can continue to support this due to the intensive labour involved in retrieving, sorting, cleaning, and returning the cups, as well as the loss of cups at the end of each event. Although we have achieved significant waste reduction, it has not been substantial enough to outweigh the associated costs and staff time. Implementing more restricted entry and exit points at the events could enhance educational delivery and reduce cup loss. Additionally, a centralised cup purchase and return station with a wash station would significantly streamline operations and improve overall feasibility. Unfortunately, the open layout of the Moonlight Market events makes implementing these important strategies difficult.

36. Do you see merit in the adoption of a definition of “reusable”? Do you consider that it would be appropriate to adopt a definition based on the Victorian definition so that “reusable”, in relation to a product that is a food or beverage container, means a product that is manufactured: (a) to be used for the same purpose on multiple occasions; and (b) with a warranty, or other written representation from the manufacturer as to the length of the time the product is designed to last, of at least one year? Alternatively, do you think that a different definition should be adopted, perhaps by reference to an industry standard (such as the number of times that a product may be washed)?

Adopting a clear definition of "reusable" is important. The Victorian definition offers a solid framework, specifying that a reusable product is designed for multiple uses and has a manufacturer's warranty of at least one year. This clarity would help standardise what constitutes a reusable container and ensure that products meet certain durability and functionality criteria. Additionally, referencing industry standards for washing could complement this definition, establishing benchmarks for longevity, usability, health and safety standards.

37. How well do you rate, on a scale of 1 to 10 (with 1 being a low rating and 10 a high rating), the extent to which the Act is working in relation to restricting or prohibiting the use of single-use and other plastic products that have an adverse impact on the environment?

East Waste rates the Act a 7 out of 10. The phased approach to prohibiting single-use plastics has effectively reduced the prevalence of harmful and difficult to recycling plastic products, allowing businesses time to adapt and choose readily available alternatives. The initial bans on items such as plastic straws and cutlery have led to a noticeable shift towards more sustainable options in both commercial and community settings. However, ongoing monitoring and enforcement will be essential to ensure compliance and address any remaining challenges.

Additionally, there are gaps that need to be addressed, particularly the lack of green organics/FOGO bins available in public places for disposing of the compostable food packaging that is now more widely supplied. Strategically designating more public bins for compostable organics would better reflect and support this transition.

The success of transitioning to more compostable takeaway packaging, with the primary goal of reducing waste to landfill and supporting a circular economy, hinges on effectively capturing and composting these materials through FOGO collections.

The current limited availability of green organics bins in public spaces, will mean that the majority of these products end up wasted in landfill at a cost to Councils and businesses. While the option to dispose of compostable packaging is available through 'take home, take away' scenarios, the lack of opportunities for correct disposal in public spaces is a significant issue.

If these compostable items are ending up in landfill there is a high risk that this will lead to business and consumer backlash and a considerable demise in engagement and commitment to correct recycling practices. There is already a reasonable element of distrust with recycling in the community and if compostable packaging is not collected in green organics for composting, this may further damage this trust.

While implementing green organics collections in public places would be ideal, we recognise that contamination remains a significant challenge for current recycling and organics collections in public areas. However, with the ban on one of the main contaminants—plastic-lined coffee cups and plastic lids—there should be a reduction in contaminants found in green organics and recycling bins. This could pave the way for successful trials of organics collections in public spaces. A comprehensive and effective education campaign is essential to support this and minimise other contaminants. There is also still considerable confusion in the community regarding the differences between recyclable and compostable items and which bins they should be placed in.

38. Do you think that the enactment of the Act, and the implementation of bans by regulation, have made a significant impact on improving recycling and environmental outcomes?

By reducing the number of single-use plastics entering the waste stream, the Act has likely contributed to less contamination in recycling processes and encouraged the adoption of reusable alternatives. However, as the rolling bans have only been in place for four years, this is still a relatively short timeframe to observe significant behavioural shifts, as behaviour change takes time. As time progresses, the benefits will become more evident and measurable, highlighting positive changes in community behaviour and waste management practices.

39. Can you identify any specific policies, programs and other initiatives and actions that are working well to support the operation of the Act?

Programs like 'Plastic Free July' and 'Plastic Free SA' have significantly enhanced community awareness of the issues of single use plastics and awareness of more sustainable alternatives. Additionally, initiatives such as 'Reusably,' which provides reusable cups and containers in South Australia, facilitate this transition. However, ongoing education and promotion are crucial to ensure the community correctly disposes of compostable items, as there is still considerable confusion surrounding these products. This effort must be supported by increased access to green organics/FOGO bins for disposing of compostable items.

40. Do you think that there have been any unintended consequences as a result of the introduction and implementation of the Act? If you consider this to be the case, what are they?

Yes, there have been some unintended consequences since the Act's implementation. These include:

1. **Failure of Compostable Containers:** Recent reports have highlighted incidents where very hot liquid ready-to-eat foods were served in compostable containers that failed, raising concerns about the suitability of these products for certain applications. As a result of these challenges, South Australia will allow businesses to use single-use plastic polypropylene bowls with lids for serving hot liquid ready-to-eat foods above 60 degrees Celsius, such as soup, broth, hot pots, and laksa, until more effective solutions are established.
2. **Lack of public place green organics/FOGO Bins:** There is a significant lack of public green organics/FOGO bins for the correct disposal of compostable food containers. This may lead to distrust in the initiative and disengagement from correct recycling habits.
3. **Consumer confusion:** There is still a degree of confusion among consumers regarding compostable items, resulting in inconsistent and incorrect disposal practices for these products.
4. **Economic impacts on small businesses:** Some small businesses have reported challenges in transitioning to compliant products due to increased costs as well as left over plastic stock that they are unable to use, resulting in waste.

9.11 Board & Committee Performance Evaluations

Report Author Manager Human Resources & Financial Services

Attachments A: Red Wagon Solutions Board & Committee Performance Evaluation Report

Purpose and Context

To provide the Audit & Risk Management Committee (Committee) with the results of the recently undertaken East Waste Board & Committee performance evaluations.

Recommendation

The Audit & Risk Management Committee receives and notes the Board & Committee Performance Evaluation Report, (Attachment A, Item 9.11, Audit & Risk Management Committee Meeting 13 November 2024) prepared by Red Wagon Solutions.

Strategic Link

Objective 5. Provide Leadership

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

Background

Historically, East Waste had not had a formal process in place to facilitate the review and ongoing development of the East Waste Board and the Audit & Risk Management Committee. In 2023, Administration proposed the implementation of an official performance evaluation process to allow East Waste to seek feedback on the overall effectiveness of its Board and Audit & Risk Management Committee, to provide meaningful feedback to individuals for their own development and if required, feedback to Member Councils. At the meeting held 22 June 2023, the Board endorsed a proposed Board & Committee Performance Evaluation Framework, to be conducted annually, commencing in 2024. The Board resolved:

9.6 BOARD AND AUDIT & RISK MANAGEMENT COMMITTEE PERFORMANCE EVALUATION FRAMEWORK

Moved Mr Di Iulio that the Board:

1. *Endorses the Board and Audit & Risk Management Committee Performance Evaluation Framework, and Evaluation forms as presented in Attachment A & B.*
2. *Requests Administration engage a consultant to collate the evaluation feedback and roll out the process in the new calendar year.*

Seconded Mayor Jones

Carried

Discussion

In line with the endorsed framework, Red Wagon Solutions, HR Consulting Agency, were engaged by Administration in September 2024 to facilitate the performance evaluations and collate the results independently. The evaluations were distributed electronically and required the East Waste Board (Board) and the Audit & Risk Management Committee Members (Committee) to complete a questionnaire relating to the overall Board and/or Committee effectiveness, as well as at an individual Director/Committee Member level. The scope of the evaluation, while in-depth, provides invaluable insight and assists East Waste to continue to improve and refine systems and processes and determine the key skillsets required for high performance.

Pleasingly, the process saw strong commitment from both Board & Committee Members, with 8 of 9 Board Members, and all Committee members, participating in the evaluation. Following the collation of results, Red Wagon Solutions have prepared a *Board & Committee Performance Evaluation Report*, as presented within Attachment A (**refer Attachment A**) summarising the results relating to overall perceived Committee and Board performance.

High-level findings indicate that the Board is perceived to have a sound understanding of its role and operates efficiently to achieve shared goals. The Committee is perceived to add significant value to the Board and offers effective oversight of East Waste's operations and compliance obligations more broadly. In addition, it is clear both the Board and Committee value the leadership from their respective Chair and Presiding Member. The report does however, highlight that both the Board and Committee seek clarity on East Waste's risk appetite and risk management practices. Chairman, Mr Fraser Bell, consulted with Red Wagon Solutions independently to discuss the results of the evaluations, including the individual Board and Committee member evaluations, and will provide further detail at the meeting.

Overall, results indicate that Board and Committee members have a positive self-perception, meaning the individual's self-perception accurately reflects how they are perceived by others. Small self-awareness gaps were noted in isolated categories, which demonstrates narrow areas for improvement. As per the endorsed framework, results regarding individual performance will be kept confidential and only shared with the Chair of the East Waste Board, and where appropriate, the Executive Leadership Team and Audit & Risk Management Committee. Individual member evaluations have since been distributed to individuals, by Red Wagon Solutions. Participants are encouraged to reflect on their results, and any feedback relating to individual performance will be dealt with confidentially, through Chairman, Mr Fraser Bell.

Administration will seek feedback from Committee members at the meeting relating to the refinement of future Board & Committee performance evaluations, noting the process is an important component of a robust governance framework, integral to ensuring continuous improvement, and creates a formal feedback loop to Directors, Committee Members and Constituent Councils.



EAST WASTE BOARD & COMMITTEE PERFORMANCE EVALUATION REPORT

October 2024

EXECUTIVE SUMMARY

A strong and effective board and committee is crucial in guiding organisation success. Engaging in regular performance evaluations and self-assessment identifies strengths and key areas for improvement.

This report details the results and analysis of East Waste's Board and Audit & Risk Committee Evaluation ('Committee') in 2024. The report highlights general performance across several categories and high-level findings from individual member evaluations.

Results demonstrated both the board and committee have strong leadership from their respective chairs and presiding member.

The board has a sound understanding of their purpose and role, and operational activities are proficient in supporting members to achieve this purpose.

The committee is effective in adding value to the board and more widely the organisation and has key oversight on compliance.

Results demonstrated that both the board and committee are unclear on East Waste's risk appetite and risk management.

Overall, the Board and Committee members have a positive self-perception, which is individuals accurately reflect how others perceive them.

SCOPE & METHODOLOGY

Red Wagon was engaged to carry out an evaluation of the Board and Audit & Risk Committee at East Waste in October 2024.

Red Wagon was provided with evaluations forms for the Board and Audit & Risk Committee by East Waste Management. The evaluation forms included a general evaluation, self-evaluation and peer evaluation. Whilst similar, the board and committee had separate questionnaires that were tailored to reflect the groups' purpose and responsibility. The evaluation questionnaire was distributed online by Red Wagon.

Total number of completed questionnaires:

- Board = 8 out of 9 Members
- Audit & Risk Committee = 5 out of 5 Members

General Evaluation

The general evaluation section of the questionnaires were categorised in the following themes:

Board Evaluation

- General Manager Engagement
- Board Leadership
- Stakeholder Management
- Decision Making
- Culture & Dynamics
- Effectiveness
- Risk & Control
- Operations

Committee Evaluation

- Committee Leadership
- Risk Identification
- Risk Control
- Management Engagement
- Culture & Dynamics
- Effectiveness
- Board Engagement
- Operations

Individual Member Evaluation

Each board and committee member were required to complete a self-evaluation, and a peer evaluation. Peer evaluations were averaged for each individual to calculate an individual peer evaluation score. Additionally, peer evaluations were averaged to calculate an overall score for the respective group members. By comparing self-evaluation scores to average peer scores, members can identify their strengths and opportunities, but also understand gaps between their self and peer perceptions.

Individual evaluations included questions on the below key themes:

- Purpose & Role
- Peer Behaviour
- Engagement
- Contribution
- Knowledge and understanding

Data Interpretation

Questionnaires were worded as statements which required the respondent to select their level of agreement with the statement. To facilitate graphical presentation of results, level of agreement was converted to numerical data as per the table below.

Data Rating	1	2	3	4	5
-------------	---	---	---	---	---

Questionnaire Scale	Disagree	Somewhat Disagree	Neither agree nor disagree	Somewhat agree	Agree
---------------------	----------	-------------------	----------------------------	----------------	-------

FINDINGS: INDIVIDUAL MEMBER EVALUATION

Individual member evaluation results are confidential and only available to the applicable individual, East Waste Chair and Executive Leadership Team.

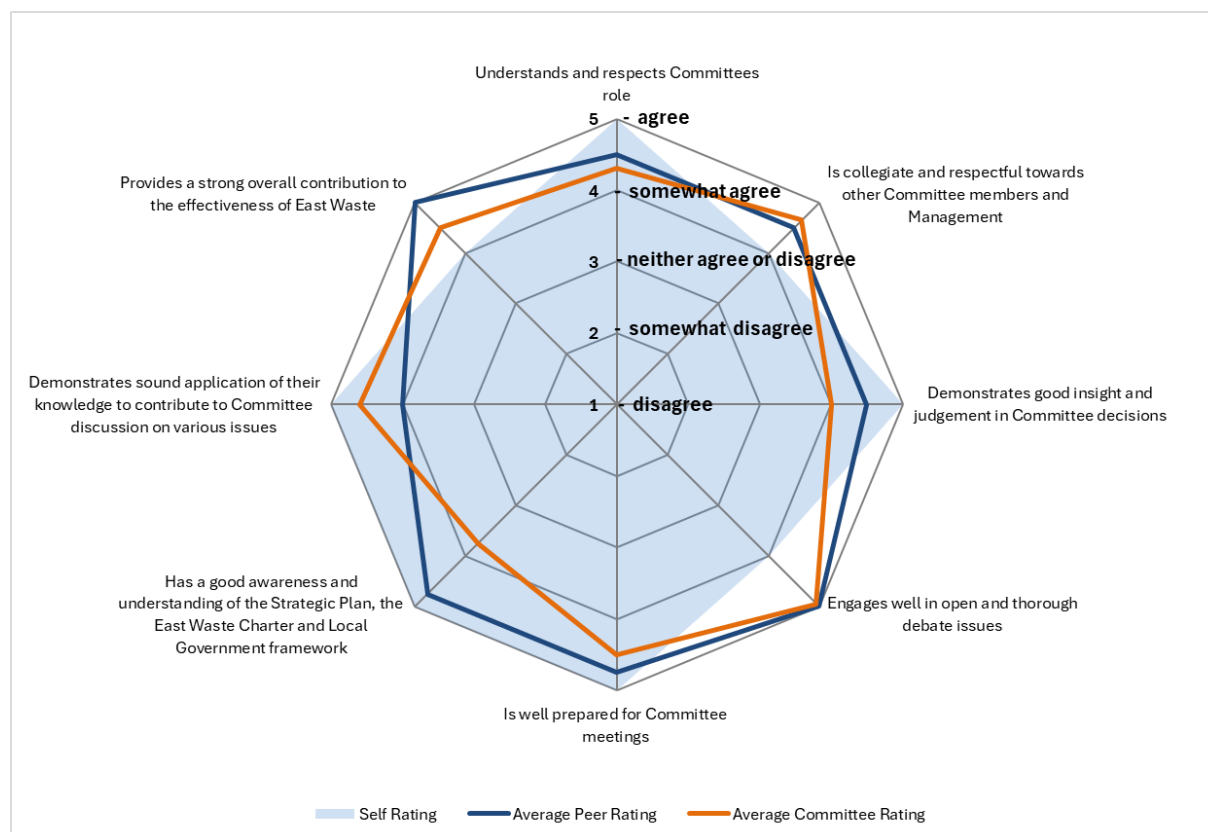
Each member was provided with a spider-web chart (example below) that presented:

- Their self-rating - light blue shading.
- Average peer rating - dark blue line.
(Average score of all evaluations completed on the individual)
- Average member rating – orange line.
(Average score of all evaluations completed for all members, excluding self-ratings)

Overall, the Board and Committee members have a positive self-awareness, that is an individual's self-perception accurately reflects how they are perceived by others. There were two members who had a greater self-awareness gap, but only in an isolated category, accordingly this demonstrates a narrow area of improvement for these individuals to reflect and improve on. These results have been discussed with the Board Chair.

Positive self-awareness is a key quality for executives and business leaders as studies have shown it leads to:

- enhanced leadership skills;
- improved decision-making;
- effective communication;
- strong relationships, including ability to resolve conflict; and
- personal growth.



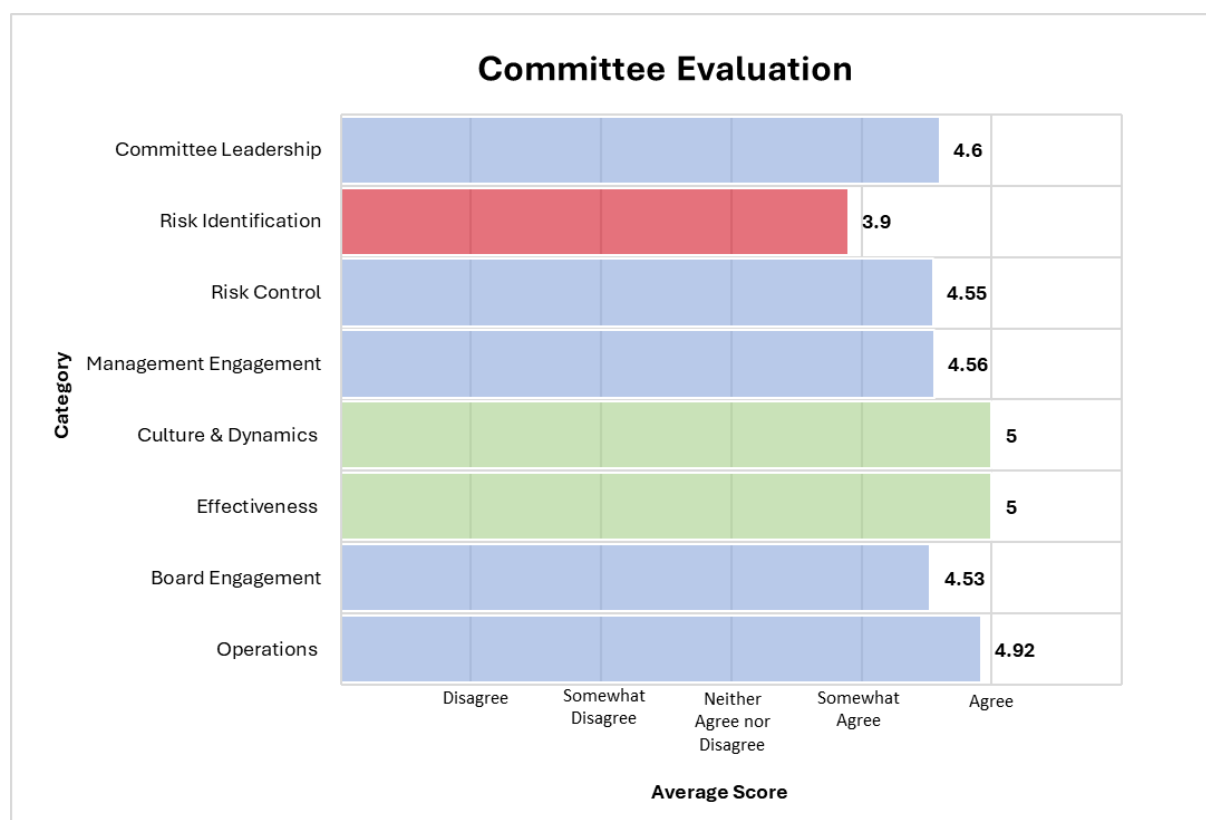
**Example chart only – data is false and does not represent any true results.*

FINDINGS: COMMITTEE EVALUATION

The results of the Committee evaluation are presented in the chart below. The committee is statistically placed at ‘agree’ for all key themes, except for risk identification.

It is evident that this is a high performing Committee with strong leadership, effective operations, a collaboraitve team, and positive relationships with Management and the Board. With sound foundations, the Committee is set up to successfully advise and support East Waste in managing its audit and risk obligations.

Average scores for each statement is included in Appendix 1.



Key Strengths

Effectiveness

Committee members are positive about the value the Committee adds to East Waste. The Committee has a clear understanding of their roles and responsibilities and is adequately resourced to meet its obligations. Each member actively contributes their unique skills and expertise to the team.

Culture & Dynamics

The Committee is able to work together sufficiently and has created a culture where all members are able to actively contribute and express their views. This positive culture is evident in the Committee’s effectiveness to add value through well-articulated, technical and practical advice.

Key Opportunities

Scoring well below all other categories, at an average 3.9, there is a key opportunity to improve risk identification within East Waste. Utilising individual question data, risk identification can be broken down to focus on two key functions as detailed below.

Risk Tolerance

In analysing the data of both the Board and Committee, it is apparent that the Committee is unclear on the Board's risk tolerance as the Board also lacks clarity. To enable the appropriate identification, control and management of risks, the Committee must have a clear understanding on the Board's risk tolerance.

There is an opportunity to clearly define East Waste's risk appetite and framework and ensure this is clearly communicated to drive decision making and risk management.

Internal Audit Function

The Committee has indicated that the internal audit function is not currently being resourced or managed to its full potential. It is important the internal audit function is appropriately reviewed to ensure it is managed and resourced to maximise its utility.

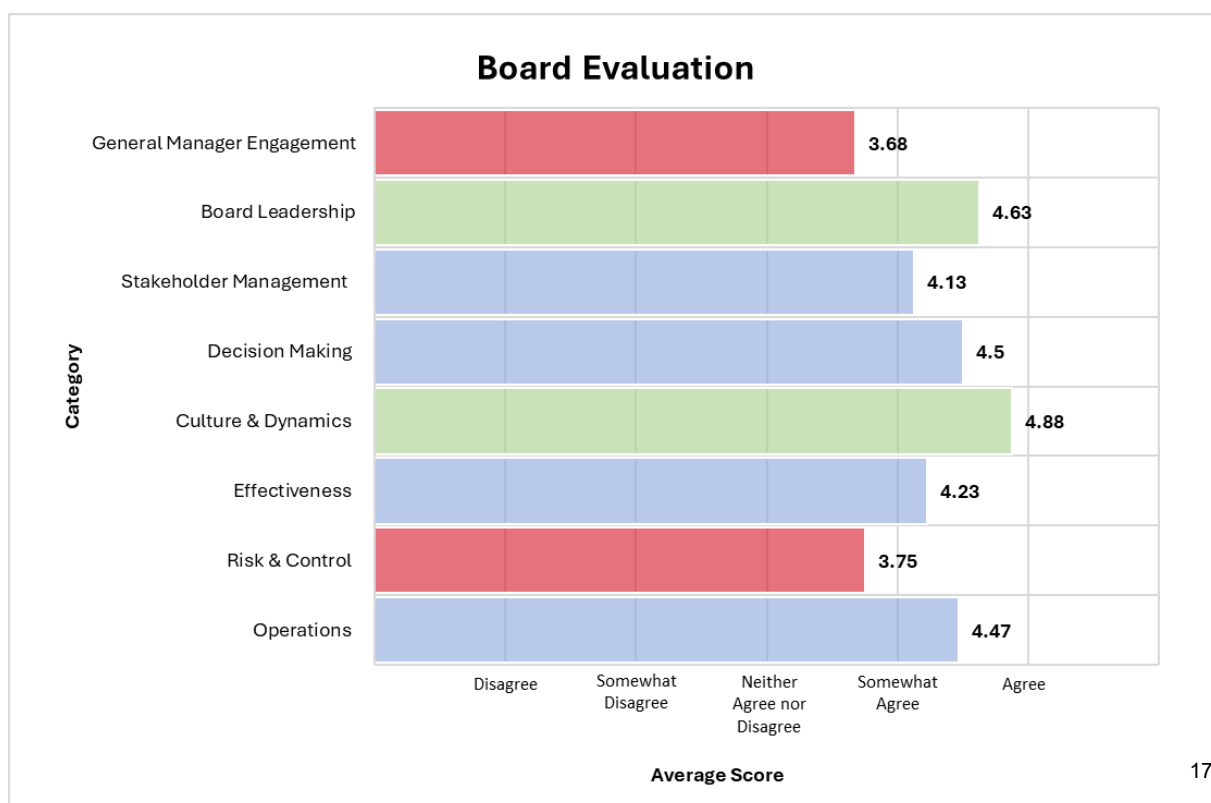
Actions

- ! Clarify risk tolerance
- ! Review internal audit function

FINDINGS: BOARD EVALUATION

The results of the Board evaluation are presented in the chart below. The Board is comfortably sitting between "somewhat agree" and "agree" for all key themes, except for Risk & Control and General Management Engagement.

Evaluation data demonstrates East Waste has a solid performing Board that is foundationally supported by a positive culture and strong leadership from the Chair.



Key Strengths

Board Leadership

The Board Chair is an effective leader that ensures the Board is set up for success. By maintaining an inclusive culture, the Chair supports and engages all members to actively contribute. Further, the Chair is able to balance the importance of a supportive environment, with a level of leadership that ensures the Board remain effective and accountable.

Culture & Dynamics

The Board has a strong culture that facilitates robust discussions in a professional and effective manner. Each member is given the opportunity to speak and be heard, with members providing each other with sound respect. With a culture that promotes on trust and honesty, the Board is able to make decisions effectively.

Key Opportunities

Risk & Control

It has been identified that the Board could improve its understanding and management of risk and issues effecting East Waste. It important to have a risk management framework that is communicated to Management and the Committee to ensure risks are appropriately identified and escalated. The Committee evaluation results demonstrated there is not a clear understanding of the Board's risk tolerance, and this is consistent with the Boards results where risks are not devoted sufficient time for discussion. The Board has identified a need to closely examine East Waste's procurement processes to ensures they are ethical and transparent.

It is evident the Board should give further focus to clarifying and communicating their position on risk tolerance, this will ensure the Committee and Management can escalate concerns and manage risk appropriately.

East Waste Leadership (GM)

The results indicate a need to strengthen engagement and performance review processes with the GM. Strong communication between East Waste leadership and the Board is crucial for guiding the organisation's success. Regular performance reviews, based on key performance indicators, will provide timely feedback and maintain engagement, enabling the Board to monitor the implementation of East Waste's Strategic Plan.

Actions

- ! Determine risk tolerance and risk management framework and communicate to Audit & Risk Committee
- ! Establish engagement and performance expectations when onboarding the new General Manager.

APPENDIX

Appendix 1. Committee Evaluation – Statement Results

Data Interpretation

Questionnaires were worded as statements which required the respondent to select their level of agreement with the statement. To facilitate graphical presentation of results, level of agreement was converted to numerical data as per the table below.

Data Rating	1	2	3	4	5
Questionnaire Scale	Disagree	Somewhat Disagree	Neither agree nor disagree	Somewhat agree	Agree

Committee Evaluation Statement	Average Score
The Committee has a clear understanding of the Board's risk tolerance	3.2
The Internal Audit function is appropriately resourced and managed	3.6
The minutes, decisions and actions of the Committee are reported to the Board in a timely and accurate manner	4
The Committee presiding member builds healthy room dynamics	4
The Committee presiding member has an effective and constructive working relationship with the Board and Management	4
The Committee is confident that senior executives understand their responsibilities for managing risks	4
The Committee has a constructive relationship with Management	4.2
The Committee is confident that East Waste has appropriate internal controls established to manage risks	4.2
The Committee receives comprehensive reporting that assesses the effectiveness of internal controls	4.2
The Committee reviews and understands the organisations risk profile	4.2
The business of the Board is accurately captured in the Minutes	4.4
The Committee has a constructive relationship with the Board	4.6
Management keep the Committee informed of relevant information and risks between meetings	4.6
The Committee has oversight of compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements	4.6
Committee reports are well written and can be easily understood	4.8
The Committee ensures that the organisation has appropriate internal controls, frameworks, systems and processes established for the management of risks	4.8
The Board actively seeks the views of the Committee on matters relating to its terms of reference	5
The Committee presiding member ensures that the Committees workload is managed appropriately	5
The Committee presiding member keeps the meeting focused and on track	5
The size of the agenda is manageable within the meeting	5
All Committee members express their professional view within the meeting	5
The Committee works effectively as a team	5
The discussions within the Committee meetings are relevant and useful for decision making	5
The Committee adds value to the work of East Waste	5

East Waste Board & Committee Performance Evaluation Summary Report October 2024

The Committee's operations do not diminish the ultimate responsibility of the Board	5
The balance of independent vs non-independent members is appropriate	5
The Committee does not rely on any one Committee Member to provide appropriate advice and expertise	5
The Committee is of an appropriate size and structure, and collectively has the required skills, commitment and knowledge to manage its workload and obligations	5
The Committee's Terms of Reference clearly outline roles and responsibilities	5
The remuneration of the Committee is appropriate based on role, responsibility, skills/ experience, time commitment and retention	5
The role of the Chair is clearly defined and understood	5
The Committee uses confidential orders appropriately and conducts sessions without management present from time to time	5
Management does not unduly influence the recommendations of the Committee	5
The Committee has appropriate access to information and staff	5
Agenda papers are distributed in a timely manner	5
All Committee members appropriately disclose any conflicts of interests	5
Committee meetings are appropriately scheduled (i.e. frequency, timing, duration, etc.)	5
Committee members understand their legal duties on behalf of East Waste	5
Of business of the Committee is accurately captured in the minutes	5
The Committee has a useful process to following up actions from previous meetings	5
The Committee is distributed a workplan that covers the requirements of the Committee's Terms of Reference	5
The Committee has oversight and recommends to the Board the engagement of East Waste's Internal Audit contract	5

Appendix 2. Board Evaluation – Statement ResultsData Interpretation

Questionnaires were worded as statements which required the respondent to select their level of agreement with the statement. To facilitate graphical presentation of results, level of agreement was converted to numerical data as per the table below.

Data Rating	1	2	3	4	5
Questionnaire Scale	Disagree	Somewhat Disagree	Neither agree nor disagree	Somewhat agree	Agree

Board Evaluation Statement	Average Score
The Board regularly reviews the General Manager's performance against determined key performance indicators, aligned to the implementation of East Waste's Strategic Plan	3.5
The Board periodically reviews its risk appetite and risk policy which are used to evaluate key decisions	3.5
The Board gives appropriate and ongoing consideration to its duties and responsibilities under Occupational Health, Safety and Welfare legislation, including its responsibilities as a PCBU	3.5
Board Directors are appropriately inducted	3.63
The Board understands and identifies the key relevant issues affecting East Waste	3.75
The Board understands the key risks affecting East Waste and devotes sufficient time for discussion and oversight of risk	3.75
The Board is satisfied that East Waste has, or is actively developing, a sound risk management framework and that risks are appropriately escalated through management and to the Board	3.75
The Board gives due consideration to ensuring probity in its procurement processes and regularly reviews its procurement practices	3.75
There is good engagement between the Board and the General Manager	3.88
There is full and accurate reporting on the operations of East Waste to stakeholders	3.88
The Board is of an appropriate size and collectively has the required skills, commitment and knowledge of its Charter, the Strategic Plan and Local Government framework to enable it to discharge its duties	4
Board members understand their legal and compliance obligations of the role	4
The Board has a useful process to following up actions from previous meetings	4
The Board has developed a good relationship with stakeholders	4
Board meetings are effective in achieving the correct balance between oversight of East Waste's performance and strategy	4.13
Board reports are well written and can be easily understood	4.13
Please rate the effectiveness of the Audit and Risk Management Committee	4.25
Board members ensure the avoidance of any conflict of interest	4.25
The number of Board committees and their composition is effective in assisting the Board properly discharge its duties	4.25
The Board is effective in its oversight and monitoring of East Waste's performance against the East Waste Charter	4.25
The Board's process for decision making is effective	4.38
Management does not unduly influence the recommendations of the Board	4.38
The Board has adopted processes and structures (such as a Board calendar or work plan and Board sub committees) which assist the Board to be as effective as possible	4.38
The financial reports received by the Board contain adequate information for financial oversight and to enable informed decisions to be made	4.38
Board meeting papers are an effective and timely source of information for Directors	4.38

East Waste Board & Committee Performance Evaluation Summary Report October 2024

The Board receives timely and appropriate information for major decisions	4.38
Administrative support to the Board is adequate and effective	4.5
The Board has a good understanding of who the key stakeholders of East Waste are	4.5
There is a healthy culture of respect and collegiality around the Board table	4.63
There is clear delineation between the role of the Board and the role of the General Manager	4.63
The Chair is an effective leader for the Board	4.63
The Chair draws out contributions from all Board members	4.63
The Chair effectively balances inclusivity and collegiality with leadership and accountability	4.63
The Board uses confidential orders appropriately and conducts sessions without management present from time to time	4.75
The Board's culture promotes trust and candour for effective decision making	4.88
The role of the Chair is clearly defined and understood	4.88
The Board meeting agenda is well planned and enables adequate discussion of the important items	4.88
The frequency of meetings and size of the agenda is appropriate for the organisation	4.88
The business of the Board is accurately captured in the Minutes	4.88
All Directors are given opportunity to speak and be heard	5
Board culture supports an environment for proper discussion and disagreement whilst maintaining good relationships and appropriate engagement by Board members	5

9.12 Proposed Meeting Schedule for 2025

Report Author Manager Human Resources & Financial Services

Attachments Nil

Purpose and Context

To provide the Committee with the proposed Audit & Risk Management Committee and Board meeting dates for 2024.

Recommendation

That the Audit & Risk Management Committee receives and notes the proposed meeting schedule for 2025 and recommends the proposed schedule for presentation to the East Waste Board.

Discussion

Table 1 details proposed meeting dates for the Audit and Risk Management Committee and Board Meetings for 2025. Feedback from Members on the dates will be sought at the meeting.

Table 1: 2025 Proposed Meeting Dates

Audit & Risk Management Committee	Board	Legislative Requirements
Tuesday 18 February 8:00am	Thursday 27 February 5:30pm	Budget Review 2 Draft Annual Plan & Budget
Tuesday 22 April 8:00am	Thursday 1 May 5:30pm	Budget Review 3
Tuesday 17 June 8:00am	Thursday 26 June 5:30pm	Annual Plan & Budget Endorsement
Tuesday 16 September 8:00am	Thursday 25 September 5:30pm	Audited Financials
Tuesday 11 November 8:00am	Thursday 27 November 5:30pm	Budget Review 1

Subject to approval by the East Waste Board, calendar invites for 2025 meetings will be distributed prior to Christmas.

9.13 Information Report for November 2024

Report Author	Executive Officer
Attachments	A: Code of Practice – Procedures at Meetings B: Outstanding Resolutions Register C: Annual Reporting Calendar

Purpose and Context

The Information Report for November 2024 presents updates on standing items and other items that are relevant to the Audit & Risk Management Committee's Terms of Reference. The matters have been listed in one report as an efficiency as Administration recommend that the Audit & Risk Management Committee 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 Audit & Risk Management Committee receives and notes the Information Report for November 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 Audit & Risk Management Committee receive and note.

Discussion

The following items are presented for the information of the Audit & Risk Management Committee:

1. East Waste Code of Practice – Meeting Procedures

At the meeting held on 26 September 2024 the East Waste Board adopted a *Code of Practice – Procedures at Meetings* (refer Attachment A).

The Eastern Waste Management Authority 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 East Waste Code of Practice – Procedures at Meetings (refer Attachment A) reflect the maturity and evolution of East Waste and governance expectations within Local Government more broadly.

The new *Code of Practice – Procedures at Meetings* (Code) 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 framework for when they are to be called upon.

Audit & Risk Management Committee meetings should be conducted in accordance with the Code.

2. Outstanding Resolutions Register (Refer Attachment B)

The presentation of the Outstanding Resolutions Register to the Audit & Risk Management Committee is considered a good governance practice. The Outstanding Resolutions Register (depicts the status of past resolutions of the Committee for the period to 28 October 2024. At this time, as indicated on the attached Register, activities associated with one resolution ongoing.

3. Annual Reporting Calendar

This report provides the Audit & Risk Management Committee 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 B) provides a snapshot update of the progress of East Waste's key legislative and governance reporting requirements for the calendar year.

This is a standing item on the Agenda.

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

ITEM 9.13 - ATTACHMENT B

Audit and Risk Management Committee Outstanding Resolutions Register as at 12 September 2024				
19/06/2024	9.2	Interim Audit Report	Moved Mr F Bell that the Audit & Risk Management Committee receives and endorses the Interim Audit Management Letter and acknowledges all matters of note will be addressed prior to 30 September 2024. Seconded Ms L Green	ONGOING to be completed by 31 December 2024.
19/06/2024	9.5	Proposed Diversity & Inclusion Policy	Moved Ms L Green that consideration of the proposed Diversity & Inclusion Policy be adjourned to the next meeting of the Audit & Risk Management Committee in order for Administration to undertake further refinement of the policy and incorporate an appropriate diversity metric to assist in the performance measurement of the Policy . Seconded Mr P Di Iulio	COMPLETED The proposed Diversity and Inclusion Policy is included at Item 9.7 of this agenda.
17/09/2024	9.6	Proposed Internal Audit Function	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.	Item 10.2 of this agenda

ITEM 9.13- ATTACHMENT C

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				✓	
B	A&R	Treasury Management Performance Report				✓	
	Governance						
B	A&R	Board & Committee Appointments	✓				
B		Annual Education Summary Report		✓			
B		Lodgment of RPD, Primary, and Ordinary Returns			✓		Returns submitted in conjunction with Audit and register retained.
B		General Manager Performance Review			✓		Current General Manager resignation effective as of November 2024.
B	A&R	Policy Review Schedule				✓	
B	A&R	Board and Audit & Risk Management Committee Performance Evaluations				✓	
B	A&R	Proposed Meeting Schedule for Proceeding Year				✓	
	Risk						
B	A&R	Strategic Risk Register Review	✓				Presented at earlier meeting.