



Eastern Waste Management Authority Audit & Risk Management Committee Meeting

Agenda

Wednesday 18 June 2025

Notice is hereby given that a meeting of the East Waste Audit & Risk Management Committee
will be held at HenderCare,
3/81 Flinders Street, Adelaide
on Wednesday 18 June 2025 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 18 June 2025 commencing at 8am.
at HenderCare 3/81 Flinders 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 23 April 2025 be confirmed as a true and correct record.

6. Matters arising from the Minutes

7. Questions Without Notice

8. Presentations

9. Reports

9.1	Internal Audit Work Plan	Page 10
9.2	2025/26 Annual Plan and Budget	Page 27
9.3	External Interim Audit Report	Page 57
9.4	Proposed Diversity & Inclusion Policy	Page 73
9.5	Review Procurement Policy	Page 78
9.6	Information Report	Page 101
9.7	Acting General Manager Update (Verbal)	
	• Contracts Update	
	• FOGO Trials	

10. Confidential Reports

Nil

11. Next Meeting of the Board

The next Ordinary Audit & Risk Management Committee Meeting is proposed to be held on Tuesday 17 September 2025, at HenderCare 3/81 Flinders Street, Adelaide.

13. Closure of Meeting



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

Minutes

Wednesday 23 April 2025

Minutes

Eastern Waste Management Authority

Ordinary Meeting of the Audit & Risk Management Committee

Meeting to be held on Wednesday 23 April 2025 commencing at 8:00am,
Electronically via Zoom.

The Chair, Mrs E Hinchey, declared the meeting open at 8.00 am 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
Mr P Di Iulio	East Waste Board Representative (<i>entered the meeting at 8.04am</i>)
Ms L Green	Independent Member

In Attendance:

Mr D Maywald	Acting General Manager
Ms K Vandermoer	Manager Human Resources & Financial Services
Ms V Davidson	Executive Administration Officer
Mr J Jovicevic	Director, Dean Newbery
Ms Corinne Garret	UHY Haines Norton
Ms Karen Peake	UHY Haines Norton

3. Apologies

Nil.

4. Conflicts of interest

Nil.

5. Confirmation of the minutes

Moved Mr F Bell that the Minutes of the East Waste Audit and Risk Management Committee meeting held on 19 February 2025 be confirmed as a true and correct record.

Seconded Ms L Green

Carried

6. Matters arising from the minutes

Nil.

7. Questions without notice

Nil.

8. Presentations

Internal Audit Draft Assurance Map

Corinne Garrett and Karen Peake

UHY Haines Norton

The Chair sought and was granted leave of the meeting to bring forward Item 9.2 Internal Audit Draft Assurance Map.

9.2 Internal Audit Draft Assurance Map

Moved Mr F Bell that the Audit and Risk Management Committee receives and notes the draft assurance map as presented by UHY Haines Norton (Attachment A & B Item 9.2, Audit & Risk Management Committee Meeting 23 April 2025).

Seconded Ms L Green

Carried

Ms Garrett and Ms Peake left the meeting at 8.37am.

9 Reports

9.1 Financial Report – Budget Review Three

Moved Mr F Bell that the Audit & Risk Management Committee notes and accepts the forecasted end of year FY2025 result associated with the 2024/25 Budget Review Three and recommends to the East Waste Board for endorsement.

Seconded Mr P Dilulio

Carried

9.3 External Audit Plan

Moved Mr F Bell that the Audit & Risk Management Committee receives and notes the FY2025 External Audit Plan prepared by Galpins (Attachment A, Item 9.3, Audit & Risk Management Committee Meeting 23 April 2025).

Seconded Mr P Di Iulio

Carried

9.4 Strategic Risk Register Review

Moved Mr P Di Iulio that the Audit & Risk Management Committee having considered the updated Strategic Risk Register (Attachment B, Item 9.4, Audit & Risk Management Committee Meeting 23 April 2025) notes the updates and recommends the revised Strategic Risk Register for presentation to the East Waste Board

Seconded Mr F Bell

Carried

9.5 Leave Policy

Moved Ms L Green that the Audit & Risk Management Committee notes and endorses the proposed East Waste Leave Policy (Attachment A, Item 9.5, Audit & Risk Management Committee Meeting 23 April 2025) and recommends to the East Waste Board for adoption.

Seconded Mr P Di Iulio

Carried

9.6 Review of Sale or Disposal of Assets Policy

Moved Ms L Green that the Audit & Risk Management Committee having considered the revised Sale or Disposal of Assets Policy (Attachment B, Item 9.6, Audit & Risk Management Committee Meeting 23 April 2025) recommend the revised Sale or Disposal of Assets Policy to the East Waste Board for adoption.

Seconded Mr F Bell

Carried

9.7 Review of the Prudential Review Policy

Moved Mr F Bell that the Audit & Risk Management Committee having considered the Prudential Management Policy (Attachment B, Item 9.7, Audit & Risk Management Committee Meeting 23 April 2025) recommend the Prudential Management Policy to the East Waste Board for adoption.

Seconded Mr P Di Iulio

Carried

9.8 Information Report for April 2025

Moved Ms L Green that the Audit & Risk Management Committee receives and notes the Information Report for April 2025.

Seconded Mr F Bell

Carried

9.9 Acting General Manager Verbal Update

1. FOGO Trial Update
2. Financial Model and Strategy Review Update
3. Service Level Agreement Update
4. Organics Tender Update

10 Confidential Items

10.1 Financial Model and Strategy Review Verbal Update

Recommendation

Moved Mr F Bell

That pursuant to Section 90(2) and (3) of the *Local Government Act 1999* the Audit & Risk Management Committee orders that the public be excluded from the meeting on the basis that the Audit & Risk Management Committee will, discuss and consider:

- (b) information the disclosure of which –
- (i) could reasonably be expected to confer a commercial advantage on a person with whom the council is conducting, or proposing to conduct, business, or to prejudice the commercial position of East Waste; and
 - (ii) would, on balance, be contrary to the public interest;

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

Seconded Ms L Green

Carried

Mr J Jovicevic left the meeting at 9.29am

Mr D Maywald, Ms K Vandermoer and Ms V Davidson left the meeting at 9.30am.

11. Closure

The Chairperson declared the meeting closed at 9.45am.

- 12.** The next Ordinary Audit & Risk Management Committee Meeting is proposed to be held on:
Wednesday 18 June 2025, HenderCare, Level 3/81 Flinders Street, Adelaide at 8.00am.

These minutes have been signed as a true and correct record of the East Waste Audit & Risk Management Committee Meeting of 23 April 2025.

Chairperson

Date ____/____/____

9.1 Internal Audit Workplan

Report Author Manager Human Resources & Financial Services

Attachments A: UHY Haines Norton Internal Audit Work Plan 2025-2027
B: UHY Haines Norton Internal Audit Draft Assurance Map Report

Purpose and Context

To provide the Audit & Risk Management Committee (the Committee) with the opportunity to review the draft two-year Internal Audit Work Plan, prepared by UHY Haines Norton, following an assurance mapping and risk analysis exercise, prior to the commencement of the first internal audit from 1 July 2025.

Recommendation

The Audit and Risk Management Committee receives and notes the Internal Audit Work Plan as presented by UHY Haines Norton (Attachment A, Item 9.1, Audit & Risk Management Committee Meeting, 18 June 2025).

Strategic Link

Objective 5. Provide Leadership

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

Background

In early 2024, the need for a formal internal audit function at East Waste was established, recognised to be a crucial function that provides independent assurance services on effectiveness of the Authority's risk management, governance and internal control processes. An Internal Audit Charter was subsequently developed and adopted by the East Waste Board at the meeting held 27 June 2024. Following this, East Waste engaged UHY Haines Norton for a two (2) year engagement, instructed to:

- 1** Undertake an assurance mapping and risk analysis exercise initially, and subsequently develop East Waste's initial two-year Internal Audit Plan for presentation to the Audit & Risk Management Committee and East Waste Board; and
- 2** Carry out the internal audit program, commencing 1 July 2025, in line with the endorsed two-year Internal Audit Plan, and auditor requirements as set out in East Waste's Internal Audit Charter.

UHY Haines Norton subsequently undertook and presented the results of the assurance mapping and risk analysis exercise to the April Audit & Risk Management Committee meeting. Feedback from the Committee was incorporated into the development of the proposed two-year internal audit work plan as presented. In accordance with East Waste's Internal Audit Charter, the work plan must be developed in consultation with the Audit & Risk Management Committee, and feedback will be sought at the meeting.

Discussion

The two-year internal audit work plan developed by UHY Haines Norton is presented at Attachment A (**refer Attachment A**). In summary, the following six (6) audits are proposed to be undertaken across the first two audit cycles.

Year 1

Meeting findings presented

Business Continuity	November 2025
Asset Management	April 2026
Payroll	June 2026

Year 2

Cyber Security	November 2026
Integrating Risk Management	April 2027
Policies, Procedures, People & Systems	June 2027

The Committee will note UHY Haines Norton has incorporated a payroll audit into year one (1) of the work plan which wasn't identified as a high risk business activity through the initial assurance mapping exercise as presented to the Committee. A copy of the assurance mapping report is included at Attachment B (**refer Attachment B**) for the Committee's reference. At the 23 April meeting, the Committee expressed that consideration should be given to the extent to which payroll controls are audited through East Waste's external audit function and consider its inclusion in the internal audit work plan. Administration identified that the annual payroll audit undertaken by external auditing firm Galpins was not comprehensive enough to provide the desired level of assurance to the Committee in relation to East Waste's payroll controls. Given this, Administration recommended that UHY Haines Norton incorporate a payroll audit into the work plan, which is scheduled to occur as the third audit in year one (1) of the plan.

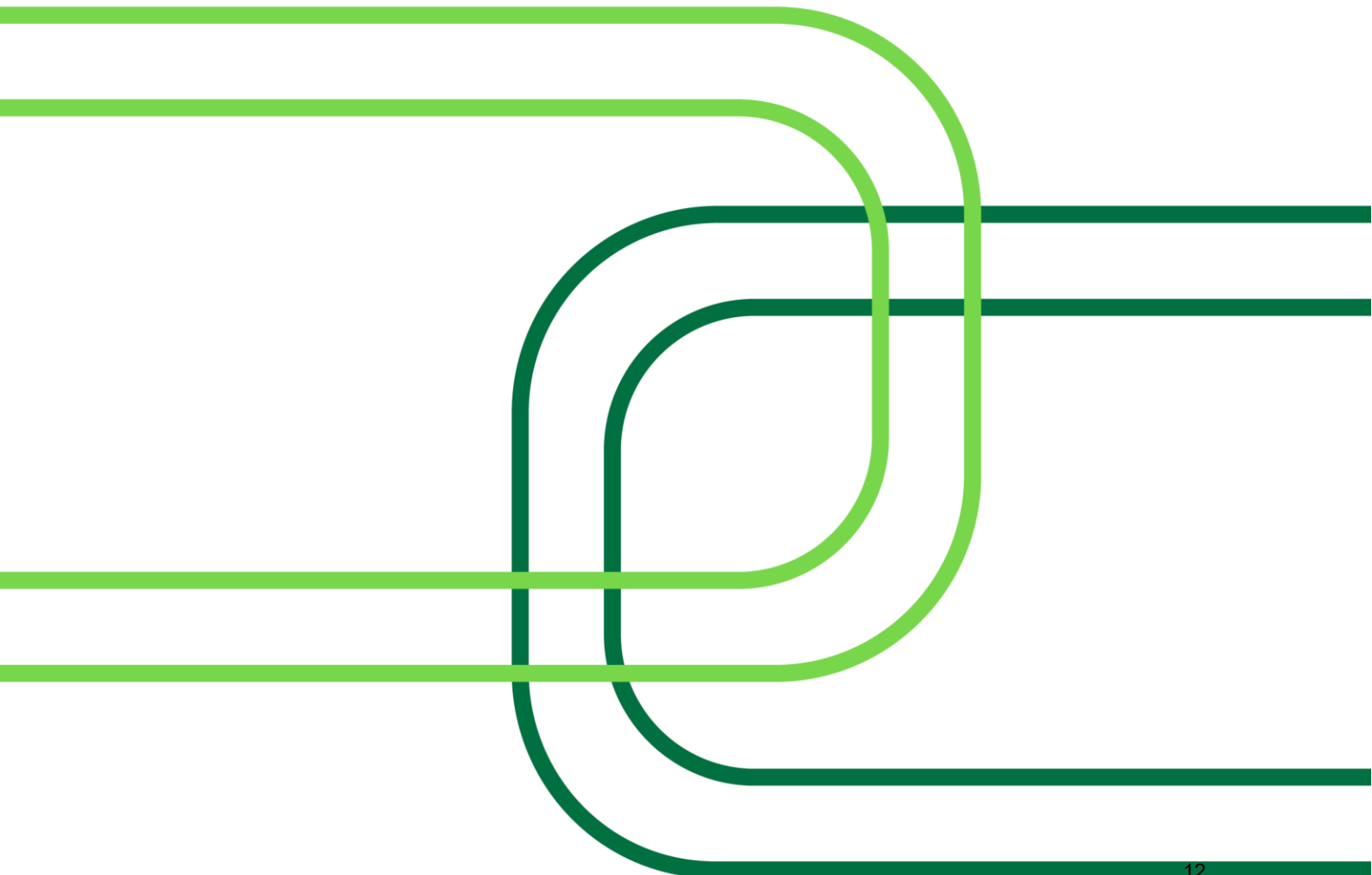
All other suggested internal audits remain in line with the initially presented Assurance Map report developed by UHY Haines Norton. Administration supports the proposed audit work plan, and worked with UHY Haines Norton to ensure audits are scheduled at a time that is practical operationally and aligns with Audit & Risk Management Committee Meeting cycles.

Representatives from UHY Haines Norton will attend the meeting to present the work plan and provide context on its development. Committee feedback will be sought prior to finalisation of the two-year internal audit plan.

Internal Audit Work Plan 2025 - 2027

East Waste

June 2025



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Purpose and Scope of this Report

The purpose of this report is to present the East Waste Internal Audit Work Plan for 2025 – 2027 to the Audit and Risk Committee.

This Work Plan evolved from the assurance mapping process undertaken earlier this year and reported to the Committee on 23 April 2025.

The Internal Audit Work Plan 2025 – 2027 is attached to this report (Appendix A), however, given that it is a living document, it remains dynamic and may be adjusted for the inclusion of any new/emerging risks or business opportunities as deemed appropriate.

Internal Audit

Internal Audit plays a critical role within the broader Risk Management Framework.

For risk management to be effective, it must be continuous and adaptive, enabling organisations to respond to emerging risks and navigate ongoing business change. Undertake internal audit assessments and reviews are also key to ensure the stated internal controls are in place and functioning as intended.

Via this audit Work Plan, the monitoring and reviewing of identified processes and procedures will ensure the internal control environment remains robust and gives the organisation the assurance levels required to support ongoing service delivery.

It will integrate with risk management and become embedded across the business, enabling East Waste to mitigate risks and seize opportunities as it evolves.

Internal Audit Work Plan Methodology

Having referenced the strategic and operational risk registers, policy documentation, strategic plans, budgets and training records, the ratings for the assurance map were finalised and an Internal Audit Work Plan developed.

- Key business function areas were assessed as operating well; - such as governance, legislation, work, health and safety and response to community needs.
- However, via the Assurance Mapping exercise, three risk areas were noted to have been assessed with low assurance levels.
 - Business continuity,
 - Asset management,
 - Cybersecurity
- In addition to these three risk areas, the Audit and Risk Committee made a referral (April 2025) relating to organisational payroll processes at East Waste, which resulted in this being identified for the draft Work Plan.
- These four focus areas were all referred to senior management for consideration, along with the opportunity to add any further strategic, new or emerging risk areas.
- Senior management accepted the focus areas outlined and are supportive of the Work Plan for the coming two years.

- Positive feedback resulted in a smooth process for finalising this 2025 - 2027 Internal Audit Work Plan to include the following:
 - **Year One:** Business Continuity / Asset Management / Payroll System
 - **Year Two:** Cyber Security / Integrating Risk Management / Policies, Procedures, People and Systems

Delivery and Timeframes

Examination and evaluation will be undertaken to assess the adequacy and effectiveness of risk management, governance, internal processes, compliance activities, and internal controls, in line with requirements as set out in East Waste's Internal Audit Charter.

This will deliver three internal audits per year, with reporting to the Audit and Risk Committee in line with the following Audit and Risk Committee cycles:

Year One

Business Continuity	November 2025
Asset Management	April 2026
Payroll	June 2026

Year Two

Cyber Security	November 2026
Integrating Risk Management	April 2027
Policies, Procedures, People and Systems	June 2027

- With regard to the Cyber Security audit, the audit will include review of:
 - IT Governance,
 - System access controls,
 - Cybersecurity measures,
 - With assessment of:
 - clearly defined roles, responsibilities and delegations,
 - adherence to policies and procedures,
 - staff training and awareness programs.
 - Business continuity and Disaster Recovery Planning,
 - Risk Management in relation to IT and Cyber Security
- If specialised IT services are required for activities such as penetration testing, external specialists will be identified to assist.
- The Internal Audit Work Plan 2025 – 27 is attached as Appendix A overleaf.

INTERNAL AUDIT PLAN 2025 - 2027

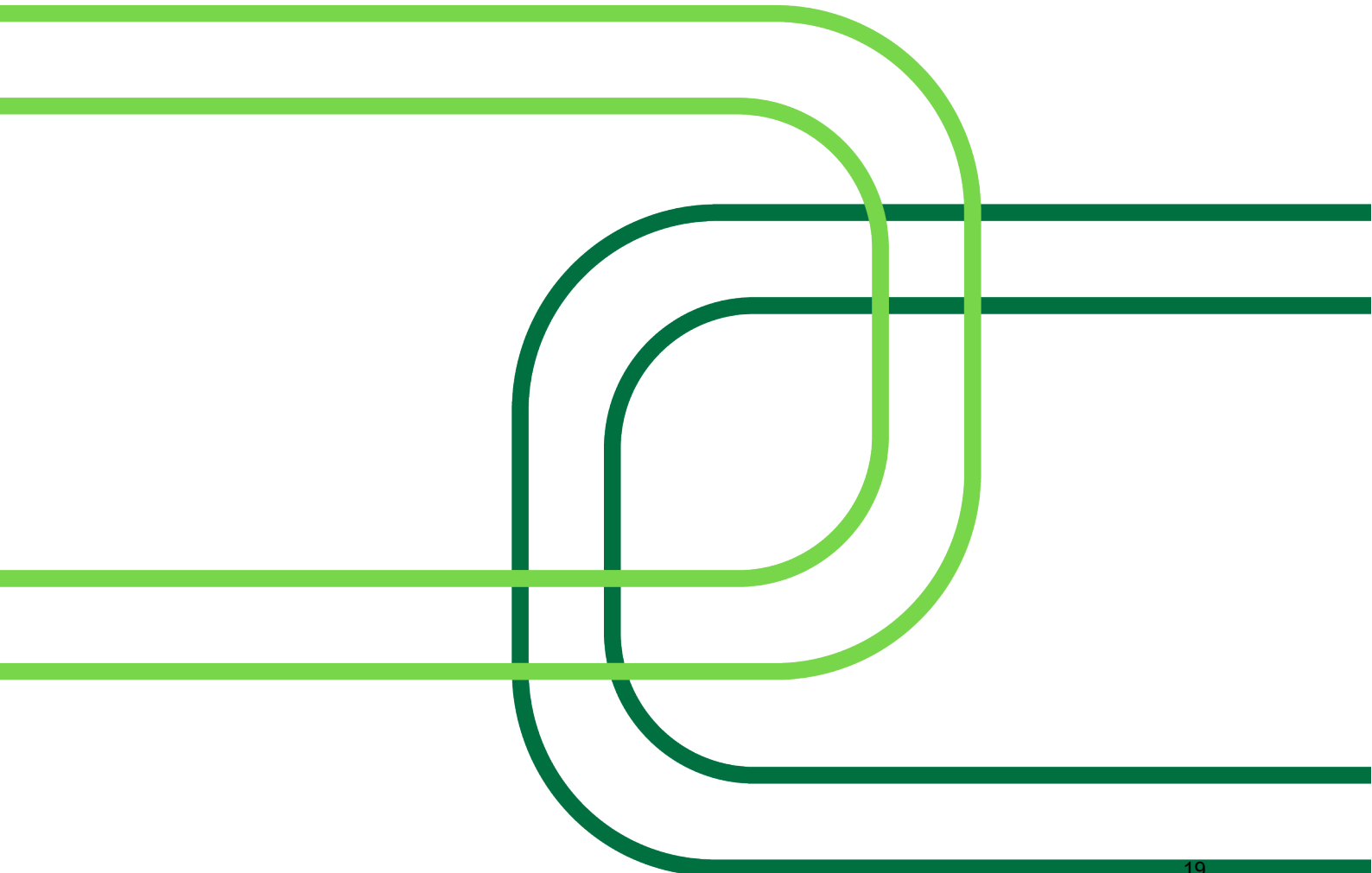
With assurance, comes agility, flexibility, shape shifting, an ability to seize opportunities and add strategic value.

2025/26	Schedule	Risk	Reference	Report to ARC	Rating/Source	Detail
Yr 1/Q1	Sept/Oct	SR7	Business Continuity	Nov-25	55%	Pandemic + 5 years - lessons learnt & implemented?
Yr 1/Q2	Jan/Feb	SR10	Asset Management	Apr-26	48%	Fleet/tools/inspections/replacement schedules etc
Yr 1/Q3	Apr/May	SR2	Payroll system (ARC referral)	Jun-26	ARC	Clarification of issues discussed at ARC
2026/27	Schedule	Risk	Reference	Report to ARC	Rating/Source	Detail
Yr 2/Q1	Sept/Oct	SR11	Cyber Security	Nov-26	58%	System controls and measures as per Note 1 below:
Yr 2/Q2	Jan/Feb	SR4	Integrating Risk Management - Business Risks & Opportunities	Apr-27	69%	Emerging community changes, industry trends, technology and innovations
Yr 2/Q3	Apr/May	SR2	Policies, procedures, people and systems	Jun-27	48%	Testing of Internal Controls

Internal Audit Draft Assurance Map

East Waste

April 2025



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Purpose and Scope of this Report

The purpose of this report is to provide an overview of the development of the Assurance Map for East Waste. A presentation will be made to the members of the Audit and Risk Management Committee at their meeting on the 23rd of April to go through the Assurance Map in detail and provide an opportunity for members to ask questions.

Attached to this report is the Assurance Map Summary page.

Summary of Recommendations

During the review of East Waste's Risk Management Framework and Strategic Risk Register and the development of the Assurance Map, several areas for improvement were identified. These gaps have been documented and are presented here as recommendations:

- Review the Risk Management Framework. The Framework was last reviewed in April 2018 and was due for review by November 2022 and is overdue for review.
- Continue with the review of the Operational Risk Register and, once complete, update the Strategic Risk Register. This may also result in the need to update the Assurance Map and, consequently, the Internal Audit Plan.
- Update the Strategic Risk Register to use the same terminology as the Risk Management Framework. The Risk Management Framework uses the term Moderate, whilst the Strategic Risk Register uses the term Medium. It is recommended to ensure that terminology is consistent. Ensure that the Operational Risk Register, which is currently under review, also uses the same terminology as the Risk Management Framework.
- Develop a Risk Appetite Statement. The Risk Management Framework describes what risk appetite and tolerance are and refers to a Risk Appetite Statement, but this Statement has not been developed.

Internal Audit

Assurance Mapping is a foundational step in developing an effective Internal Audit function. The process for establishing and enacting an Internal Audit function is:

- Develop an Assurance Map that identifies levels of assurance and highlights any gaps
- Creating an Internal Audit Plan informed by the Assurance Map
- Commencing Internal Audits according to the Internal Audit Plan

Internal Audit plays a critical role within the broader Risk Management Framework. For risk management to be effective, it must be continuous and adaptive, enabling organisations to respond to emerging risks and navigate ongoing business change.

To remain relevant and effective, an organisation's Risk Management Framework must be regularly reviewed and updated. As a result, Assurance Mapping and Internal Audit Plans should also be refreshed in response to changes in the risk environment.

Assurance Mapping

An Assurance Map is a visual representation of the key risks of a business and the various types of and levels of assurance that exist against those risk areas.

An Assurance Map identifies areas where there is a lack of assurance. The development of an Internal Audit Plan is informed by the assurance map, ensuring that audit resources are focused on areas with the highest risk and lowest existing assurance coverage.

Ratings

Assurance Ratings and Risk Ratings are different but do have similar language.

Risk Ratings are:

Risk Level	Managing Risk (East Waste Risk Management Framework- Summarised)
Extreme Risk	Escalate risk immediately to the General Manager/Executive Leadership Team Develop strategies for immediate action Monitor and review actions and strategies Provide direction and information to stakeholders Inform the next meeting of the Audit and Risk Management Committee Consider cessation/suspension of activity until strategies implemented WHS – Activity is not to be continued until the risk level has been reduced. The level of risk is commonly unacceptable.
	Escalate risk to Executive Leadership Team/Manager Corporate Services Develop treatment strategies with appropriate timeframes Monitor and review actions and strategies Provide direction and information to stakeholders Inform the next meeting of the Audit and Risk Management Committee WHS – reduce risk as far as practical, only acceptable for Major or Catastrophic consequences
Moderate	Escalate to the relevant manager. Develop treatment strategies with appropriate timeframes. Monitor and review actions and strategies. WHS: Reduce risk as far as practical; it may be an acceptable level of risk.
Low	Localised risk management and actions Commonly is an acceptable level of risk.

Inherent Risk

Risks are assessed as if there were no controls in place, and the level of risk determined is known as Inherent or Raw Risk.

Current/Residual Risk

The risk level with current controls in place is known as Current or Residual Risk.

Forecast Risk

If additional controls are planned to be put in place, the risk level with those controls in place is known as the Forecast Risk.

Assurance Map Ratings

Assurance Level	Explanation
High	A high level of assurance. Strong confidence that the risk is being effectively managed Controls or assurance activities are well-designed, consistently applied and regularly tested or verified

	Moderate confidence that the risk is being managed, but there may be some weaknesses Controls are generally in place and operating but may not be consistently applied or independently tested
Low	Limited or no confidence in how the risk is being managed Controls are absent, poorly designed or not operating effectively No formal assurance activities are in place

3 Lines of Defence

The Three Lines of Defence Model is a framework to structure roles and responsibilities for managing risk and assurance within an organisation. The Three Lines of Defence are a key component of the Assurance Map assessment.

Weighting shown in the table below shows the level of assurance and independence provided by each line of defence. The purpose of assigning weightings is to quantify the strength and reliability of assurance sources helping to:

- Identify areas of over-reliance on less independent assurance, such as operational self-assessments
- Highlight gaps where more independent or formal assurance may be needed
- Support risk-based audit planning by prioritising areas with lower assurance strength

Line of Defence	Who	Roles	Responsibilities	Weighting
1 st – Business Operations	Business Unit Managers Team Leaders Process Owners	Directly own and manage controls, however, assurance may lack independence.	Identify, assess and manage day-to-day risks. Maintain and operate internal controls such as checklists and approvals.	20%
	Risk Management Compliance Legal WHS Finance Oversight roles	Oversight roles are more independent; however, they are still within the management structure.	Develop policies and frameworks. Monitor compliance with regulations and internal standards. Support the first line with training and advice.	25%
3rd – Independent Assurance	Internal Audit Other independent assurance providers Audit & Risk Committee	Independent structured assurance, reporting to the governing body.	Evaluate and report on how well the first and second lines are working. Provide recommendations for improvement.	35%
External/Regulators	External Auditors Other Authorities	Independent or statutory review. Often limited to financials or compliance	Depends on the scope of the review.	20%

Risk Framework

The Risk Management Framework was last reviewed in April 2018 and was due for review in November 2022. It is overdue for review.

The purpose of the Framework is to:

- Align with the objectives of the Risk Management Policy
- Establish roles and responsibilities for managing risk
- Document a standardised, formal and structured process for assessment, treatment and monitoring of identified risks
- Encourage innovation by integrating risk management into the strategic and operational process across all departments of East Waste.
- Assist East Waste in maximising its opportunities whilst minimising any negative impacts identified during the risk management process.
- Establish the process for all risks outside the defined risk tolerances to be escalated to the relevant manager and additional treatment options implemented.
- Set out the reporting protocols for relevant risk information to be provided to the Board, Audit and Risk Management Committee, Executive Leadership Team and across all East Waste's departments.
- Supports the development of a continuous improvement culture by integrating risk management processes into all East Waste functions.

Risk Registers

East Waste maintains both an Operational Risk Register, which is currently being reviewed, and a Strategic Risk Register. The Strategic Risk Register has been utilised to create the Assurance Map. Following the review of the Operational Risk Register, the Strategic Risk Register should also be reassessed to incorporate insights from the Operational Risk Register.

We noted that the Risk Management Framework uses the risk level of moderate. However, the Strategic Risk Register uses the term Medium. The language used in the Risk Registers should be consistent with the Risk Management Framework. We have used the term 'Moderate' in the Assurance Map.

Risk Appetite & Tolerance

The Risk Management Framework explains what risk appetite and tolerance is and how the levels will be developed and reported and refers to a Risk Appetite Statement. However, the Risk Appetite Statement is not included in the Framework and has not been developed as a separate document.

A Risk Appetite Statement sets out the risk appetite and risk tolerance of an organisation. The risk appetite part of the statement outlines the overall level of risk the organisation is willing to accept to achieve its strategic objectives. It reflects the organisation's risk philosophy and guides decision-making at a high level. The risk tolerance part of the statement outlines more detailed limits on the amount of risk that can be taken in specific areas or for a particular activities. It ensures that the organisation's risk-taking remains within the acceptable boundaries defined by the risk appetite.

Risk Management

Link to Strategic Risk Assurance Assessments

EastWaste

Risks,
Key Objectives
& Key Services

Assurance Areas

Risk Descriptions

Inherent Risk

Current/Residual Risk

Current Risk Tolerance Status

Forecast Risk

SR1	Strategic planning - inconsistency in decision making	Poor, ineffective or outdated strategic planning and implementation, leading to inconsistency with Member Council's strategic directions, poor investment decisions and inappropriate usage of resources (both financial and physical resourcing)	Extreme	High	TBC	Moderate
SR2	Ineffective governance - community expectations	Lack of effective governance and decision making process may result in not meeting community/ Member Council expectations, adversely impact East Waste's finances and damage to reputation.	Extreme	Moderate	TBC	Moderate
SR3	Non compliance with financial regs / legislation	Significant demands of legislative compliance and/or changing legislation may lead to inadvertent breach of key legislative obligations resulting in unnecessary legal costs and loss of community confidence in East Waste's transparency, accountability and financial sustainability	Extreme	Moderate	TBC	Moderate
SR4	Lack of agility in service delivery	East Waste's inability to respond in an agile way to emerging community changes, industry trends, technology and innovations will result in inefficiencies, ineffective service delivery & missed opportunities	High	Moderate	TBC	Moderate
SR5	Ineffective budget - weakened financial sustainability	Inefficient or inappropriate budget allocation may impact the delivery of key services and financial sustainability of the Authority	Extreme	High	TBC	Moderate
SR6	Skilled staff recruitment & retention	East Waste are unable to attract and retain sufficient appropriately skilled staff and Board Member's to effectively deliver the breadth of services required in a timely manner.	Extreme	Moderate	TBC	Low
SR7	Business Continuity	A significant unplanned /emergency /adverse event may prevent East Waste from delivering key services/functions (e.g. fire, natural disaster, pandemic)	Extreme	High	TBC	High
SR8	People & Culture (incl. WHS)	Failure to adequately protect the health and safety of workers and members of the public which may lead to significant injury, disablement or death, shut down of operational fleet and significant adverse attention.	Extreme	High	TBC	High
SR9	Failed Member - Organisation relationship	Member Council exits from East Waste due to having stronger relationships with other similar organisations, leading to both reputational and financial damage.	High	Moderate	TBC	Moderate
SR10	Asset Management	Existing Assets fail to meet the minimum requirements for current operating needs and future growth.	Extreme	Moderate	TBC	Moderate

1st - Business Operations												2nd - Financial, Corporate & Governance								3rd - Independent Assurance								External/Regulators		
Assurance Weighting 20%												Assurance Weighting 25%								Assurance Weighting 35%								Assurance Weighting 20%		
Weighting Rationale: Directly own and manage controls , however assurance may lack independence.												Weighting Rationale: Oversight roles, more independent however still within management structure.								Weighting Rationale: Independent, structured assurance, reporting to governing body.								Weighting Rationale: Independent, statutory, however often limited to financials or compliance		
Internal Control Measures						Management Control Measures																								
Forms, Checklists and Templates	Core Systems Controls, IT Systems, Parameters	Fraud & Error Prevention Internal Checks	Approvals & authorisation per Delegated Authority	Segregation of Duties	Documented Functional Policies, Procedures & Guidelines	Established Plans (Strategic Plan, Business Plan & Divisional Plan)	Agreed Budgets	SMART KPIs & Service Standards Agreed	Performance Measurement against Standards, and Benchmarking Reviews	Performance Reporting Against Standards	Corporate Policies, Procedures and Frameworks	Financial Monitoring, reporting, reconciliation	Financial Best Practice Model Internal Control Self Assessment	Functional Service Compliance Reviews	Quality Control Checks (Health & Safety, Governance)	Security (including IT systems and physical security)	Enterprise Risk Management (Evaluation of Strategic Risks & Operational Risks)	Addressing Regulatory Notices & Statutory Returns	Internal Audit	Follow up on Audit Log Actions	Audit & Risk Committee	External Consultant Reviews	External Accreditation / Certification	External Testing on Compliance and Quality	LGRS Reviews	External Audit	ICAC / Ombudsman Reviews	Performance Review by Auditor General		
H	H	H	H	H	H	H	H	L	H	H	H	H	M	M	L	M	M	H	H	H	H	NA	NA	NA	NA	H	NA	NA	83%	Medium
H	H	H	H	H	H	H	H	L	H	H	H	H	M	M	L	M	M	H	H	H	H	NA	NA	NA	NA	M	NA	NA	81%	Medium
H	H	H	H	H	H	H	H	L	H	H	H	H	M	M	M	M	M	H	H	H	H	NA	NA	NA	NA	M	NA	NA	83%	Medium
H	H	H	H	H	H	H	H	L	M	L	H	H	M	NA	M	M	M	H	L	NA	H	NA	NA	NA	NA	NA	NA	NA	71%	Medium
H	H	H	H	H	H	H	H	M	M	H	H	H	H	H	H	M	M	H	H	H	H	M	M	NA	NA	H	NA	NA	87%	Medium
H	H	H	H	H	H	H	H	M	M	M	H	H	H	M	H	M	M	M	M	M	H	M	H	NA	NA	NA	NA	NA	78%	Medium
M	M	NA	H	NA	H	H	L	NA	NA	NA	M	NA	NA	M	M	M	M	NA	L	NA	H	L	NA	H	NA	NA	NA	NA	55%	Low
H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	H	M	H	L	M	H	L	M	M	M	NA	NA	NA	77%	Medium
H	H	H	H	H	H	H	H	L	M	L	H	H	NA	NA	NA	M	M	H	L	NA	H	NA	NA	M	NA	NA	NA	NA	72%	Medium
H	M	M	H	H	H	L	M	M	L	L	L	M	M	NA	M	M	M	L	L	H	H	L	NA	M	NA	NA	NA	NA	47%	Low

Overall Assurance Level

None	1% - 30%
Low	31% - 65%
Medium	66% - 90%
High	91% - 100%

9.2 2025/26 Annual Plan & Budget

Report Author Acting General Manager

Attachments A: Draft 2025/26 Annual Plan
B: Member Council Consent

Purpose and Context

To present the Audit & Risk Management Committee (Committee) with feedback received from Member Councils on East Waste's draft 2025/26 Annual Plan and Budget, to inform the Committee's recommendation to the Board for endorsement.

Recommendation

The Audit and Risk Management Committee receives and notes the approval from Member Councils, the feedback provided, and recommends the draft 2025/26 Annual Plan and Budget, as provided in Attachment A (Attachment A Item 9.2, Audit & Risk Management Committee Meeting 18 June 2025), is presented to the Board for adoption.

Strategic Link

Objective 5. Provide Leadership

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

Background

Section 51 of the Eastern Waste Management Authority Charter (the Charter) requires the Authority to prepare an Annual Plan that supports and informs its Budget. At its meeting on 27 February 2025, the East Waste Board considered the draft 2025/26 Annual Plan and Budget and resolved as follows:

9.1 Draft FY2026 Annual Plan & Budget

Moved Cr T Jennings that the East Waste Board:

- 1. Adopt the Draft East Waste 2025/26 Annual Plan, as presented in Attachment A.*
- 2. Approve the associated draft 2025/26 Budget and assumptions.*
- 3. Authorise the General Manager to distribute to each Member Council for review and comment, the Draft 2025/26 Annual Plan, as presented in Attachment A, along with the proposed fees.*

Seconded Cr C Clutterham

Carried

Following the Board's endorsement, East Waste's Acting General Manager wrote to each Member Council to provide their proposed fees for 2025/26 financial year, along with a copy of the draft Annual Plan for the Council's consideration and endorsement.

To support Member Councils and address any questions, East Waste administration attended staff meetings, presented at Council workshops, and made themselves available to respond to any queries from Council administration.

Discussion

The draft 2025/26 Annual Plan, including the Financial Statements, is presented in full at Attachment A (**refer attachment A**). No amendments have been made to the proposed activities, projects, or the endorsed budget since the Plan was initially presented to the Committee early in the year, nor as a result of the Member Council review process.

However, since the release of the draft, several discussions have taken place with Member Councils regarding the expansion of existing Weekly Organics FOGO trials or the implementation of new trials. These developments are expected to result in amendments to the budget in the coming months, pending completion of further cost modelling at which stage consideration will need to be given to appropriate governance to seek endorsement of any changes.

Consent of Draft 2025/26 Annual Plan

In accordance with Clause 52.3 of the Charter, Member Councils are required to consent to the Annual Plan, not the associated fees and charges although these are included within the financial statements that form part of the Plan.

All eight Member Councils have endorsed the draft 2025/26 Annual Plan. At the time of drafting this report, East Waste administration is awaiting formal written confirmation from Adelaide Hills Council and the City of Unley regarding their endorsement and any specific feedback. Notwithstanding this, both Councils' meeting minutes confirm their endorsement, as provided in Attachment B (**refer Attachment B**). Any specific or related feedback provided through the review process is summarised in Table 1 below.

Table1. Feedback relating to the draft 2025/26 Annual Plan

Council	Comment	East Waste Response
City of Burnside	The City of Burnside has indicated it will contact East Waste administration in the coming months to arrange a briefing session with Council Members.	East Waste has responded confirming commitment to attend a briefing session and suggested it may be a good opportunity for the new General Manager to meet Council Members.
City of Mitcham	The City of Mitcham has submitted several requests, including: - Biannual reporting from East Waste on	A report is currently being drafted for the City of Mitcham regarding

actions undertaken to deliver cost-effective and efficient services (Objective 1 of East Waste's Strategic Plan).

- Provision of indicative budgets prior to Council's community consultation in future years.
- Greater transparency and reporting on cost pressures and increases.
- Information on projects and innovation funded outside of routine kerbside services.
- A comprehensive breakdown and impact analysis of new service initiatives and projects.

their request around objective one of East Waste Strategic Plan.

A report is currently being prepared to address the City of Mitcham's request relating to Objective 1 of East Waste's Strategic Plan. East Waste Administration has arranged meetings with the City of Mitcham to discuss the additional items raised.

EastWaste

ANNUAL PLAN

2025/2026

Vision: To be the Leading Waste Logistics Company in Australia...

OUR OBJECTIVES:

- Deliver Cost Effective & Efficient Services
- Maximise Source Separation & Recycling
- Provide Leading & innovative Behaviour Change & Education
- Help Develop a Local Circular Economy
- Provide Leadership



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2025/2026 Annual Plan Deliverables	9
Budget Management	12
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Vision & Mission

VISION

The Destination

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

MISSION

The Vehicle

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

Executive Summary

The **2025/2026 financial year** marks a period of **strategic refinement and operational enhancement** for East Waste as we continue to deliver efficient and sustainable waste management services for our Member Councils. Building on the momentum of our **weekly FOGO (Food Organics, Green Organics) trials**, the upcoming year will focus on **expanding successful programs** and identifying best-practice approaches to drive higher resource recovery rates. However, the **regulatory landscape remains uncertain**, with ongoing reviews of waste-related policies likely to shape the feasibility and scope of these initiatives.

A **full-scale review of the East Waste's financial model and strategy** will be undertaken in the months leading up to FY2026 to ensure it aligns with both our evolving operational needs and the long-term sustainability goals of our Member Councils. This review will reinforce East Waste's position as a leader in **progressive and cost-effective waste management solutions** while adapting to emerging industry challenges and opportunities.

The **procurement of new contracts for co-mingled recycling, organics, and landfill services** remains a key focus for 2025/2026. Leveraging collective purchasing power, East Waste aims to secure **high-value, future-focused agreements** that maximise financial savings for participating Councils while **enhancing circular economy outcomes**. These efforts will be informed by **lessons learned from previous market engagements**, ensuring robust contract structures and improved service efficiency.

With a strong emphasis on **innovation, collaboration, and sustainability**, East Waste's **2025/2026 Annual Business Plan** is structured to **navigate evolving industry dynamics**, strengthen our **strategic direction**, and continue delivering **best-practice waste management solutions** for our communities.

Background

Eastern Waste Management Authority (East Waste) has been delivering waste collection services since its establishment in 1928. As a regional subsidiary, East Waste is owned by and operates on behalf of Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Norwood Payneham & St Peters, City of Mitcham, City of Prospect, City of Unley, and Town of Walkerville.

The Authority operates under a Charter, developed pursuant to Section 43 of the Local Government Act 1999, which sets out its governance, operational, and financial management framework. The East Waste Board, consisting of a director appointed by each Member Council and an Independent Chair, oversees the strategic direction and operational efficiency of the organisation.

Under Clause 51 of the Charter, the East Waste is required to develop an Annual Plan each financial year. This Plan supports and informs the budget and provides a clear outline of East Waste's objectives, key activities, and performance measures. Additionally, it details the financial requirements of the organisation and the mechanisms for cost recovery from Member Councils.

The Annual Plan aligns with and is informed by East Waste's broader strategic planning framework, including:

- **East Waste 2030 Strategic Plan** – setting long-term sustainability and operational targets.
- **Long-Term Financial Plan** – ensuring financial sustainability and cost-effective service delivery.
- **Risk Management Framework** – identifying and mitigating risks to service continuity.

Fleet Asset Management Plan – A newly developed standalone strategic document guiding the sustainable management, renewal, and investment in critical infrastructure and fleet.

As a regional subsidiary, East Waste remains committed to collaboration, efficiency, and innovation. Success in delivering the 2025/2026 Annual Plan is reliant on strong partnerships with Member Councils and key stakeholders. Through a flexible, responsive, and cost-efficient service model, East Waste continues to deliver value to Member Councils and their communities by providing high-quality waste collection services while navigating an evolving regulatory and environmental landscape.



East Waste 2030 Strategic Plan Vision, Objectives & Strategies

VISION

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

OBJECTIVES

1. Deliver cost-effective and efficient services facilities

2. Maximise source separation and recycling

3. Provide leading and innovative behaviour change and education

4. Help develop a local circular economy

5. Provide leadership

STRATEGIES

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

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

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

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

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

KPIs

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

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

54% 60% 66% 75%

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

13% 40% 75% 100%

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

- 45% 50% 60%

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

- 45% 50% 60%

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

12.5% <11% <9% <7%

BASELINE 2023 2027 2030

2025/2026 Focus

As East Waste continues to evolve, the 2025/2026 Annual Plan places a stronger emphasis on operational efficiencies, safety, and service delivery while maintaining alignment with the objectives of the 2030 Strategic Plan. A review of the financial model and Strategic Plan remains ongoing, with expected updates to Key Performance Indicators (KPIs) to reflect East Waste's evolving priorities. However, the fundamental commitment to delivering cost-effective, high-quality services to Member Councils remains unchanged.

A key milestone for East Waste is expected to be the appointment of a new General Manager, with the recruitment process currently underway. The new General Manager is expected to commence early in 2025/2026, bringing fresh leadership and strategic direction to the organisation. This transition presents an opportunity to further enhance East Waste's operational effectiveness, governance, and long-term sustainability.

For 2025/2026, East Waste's key areas of focus include:

1. Enhancing Operational Efficiencies

- Optimising collection routes and fleet management to improve productivity and reduce costs.
- Implementing data-driven decision-making through real-time service tracking and performance monitoring.
- Strengthening contract management to ensure best-value outcomes for Member Councils.

2. Strengthening Safety and Compliance

- Expanding safety training programs for all operational staff to reduce workplace incidents.
- Investing in modern fleet technology, to enhance driver and public safety.
- Ensuring compliance with Work Health and Safety (WHS) regulations and industry best practices.

3. Improving Service Delivery and Member Council Support

- Refining customer service and complaint resolution processes to enhance community satisfaction.
- Providing tailored waste education and engagement initiatives to increase diversion rates and responsible disposal.
- Supporting Member Councils with policy and regulatory changes, including the evolving legislative landscape.

4. Driving Environmental and Circular Economy Outcomes

- Expanding Food Organics and Garden Organics (FOGO) programs, building on the success of previous trials.
- Leveraging East Waste's scale to secure cost-effective contracts for recycling, organics, and landfill services.
- Exploring new opportunities to reduce landfill dependency and improve resource recovery.

With a new leadership transition on the horizon, East Waste remains committed to delivering innovative, sustainable, and cost-effective waste management solutions. The 2025/2026 Annual Plan ensures that East Waste continues to provide high-quality, financially responsible services to its Member Councils while adapting to new opportunities and challenges.



2025/2026 Annual Plan Deliverables



NO.	ACTIVITY/PROJECT	OVERVIEW	OBJECTIVE	STRATEGY	MAIN KPI/TARGET	BUDGET
DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES						
1.	Continue & Expand Core services	East Waste optimisation will come from providing a full suite of services to Member Councils. Where this doesn't occur, East Waste will work with member Councils with an aim to provide a full suite of services to all member Councils.	Deliver Cost Effective and efficient services and facilities	1.1	Vision Target	Recurrent
2.	Investigate opportunities outside of existing Member Councils.	When potential opportunities arise, East Waste will investigate service provision to non-member Councils and subsidiaries where the benefit and/or the fostering of partnerships can drive value to Member Councils.	Deliver Cost Effective and efficient services and facilities	1.1	Vision Target	Recurrent
4.	Implement a Complaints Management/Ticket system to streamline customer service operations, enhance issue resolution efficiency, and improve stakeholder satisfaction	East Waste will implement a Complaints Management/Ticket system to enhance customer service efficiency, streamline issue tracking, and improve response times. This system will provide a structured approach to logging, monitoring, and resolving customer inquiries and complaints, ensuring accountability and transparency. The project aims to optimize workflows, reduce resolution time, and enhance overall customer satisfaction.	Deliver Cost Effective and efficient services and facilities	1.5	Vision Target	Recurrent + Service Initiative \$0.010M

MAXIMISE SOURCE SEPARATION & RECYCLING

5.	Advance trials and rollout of weekly organics collections	Through the success of current weekly organics trials (FOGO Trials) undertaken by East Waste and more broadly across metropolitan Adelaide, East Waste will work with member Councils to increase the trials/rollouts.	Maximise Source separation and recycling	2.1	<ul style="list-style-type: none"> At least 75% of kerbside material separately collected & recycled 100% of food waste separately collected and recycled. 	Recurrent + Service Initiative \$0.030M
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• PROVIDE LEADING AND INNOVATIVE BEHAVIOUR CHANGE AND EDUCATION

6.	Delivery of the “Why Waste It?” behaviour change program and associated social media.	Utilising the results of the reviews and biennial kerbside audits undertaken over the past 6 years, refine and deliver the ongoing successful “Why Waste It?” program, with a strong food waste separation focus.	Provide leading and innovative behaviour change and education	3.2	<ul style="list-style-type: none"> Vision Target 	Recurrent + Service Initiative \$0.205M
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HELP DRIVE A LOCAL CIRCULAR ECONOMY

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

8.	Fleet Replacement	In line with the Long-Term Financial Plan, undertake the replacement of six (6) collection vehicles.	Provide Leadership	5.4	Vision Target	Capital \$3.39M
9.	WHS System Responsibility and Accountability	Continuation of ongoing Risk Management and Work Health & Safety systems and processes to provide a safe and healthy workplace for all employees and those which interact with us.	Provide Leadership	5.1	Implement best practice safety standards	Recurrent

Budget Management

East Waste operates its waste collection services under a Common Fleet Costing methodology, ensuring that each Member Council is charged directly based on the proportionate time required to complete their respective collection services. This approach leverages a highly accurate, cloud-based GPS tracking system with real-time data and detailed reporting to allocate costs transparently and equitably. Minor variations in cost apportionment occur annually to reflect efficiencies, service demand changes, and operational cost fluctuations (e.g., housing infill, developments, fire ban days, and special events).

A key financial decision made by the East Waste Board when developing the 2024/2025 budget was to remove the application of the 1% operating surplus, atypical of East Waste's usual Budget Framework, as a means to keep annual increases to a minimum for Member Councils. While this decision lowered costs in the short term, the inclusion of the operating surplus in the 2025/2026 budget means the overall annual increase to Common Fleet fees reflects more than East Waste's expected increased annual operating costs alone. Given this, while developing the 2025/26 budget Administration committed to finding savings where possible, opting for a business as usual approach, with a focus on supporting core operational efficiencies and larger investments for new initiatives to be considered in future business planning. This approach aligns with East Waste's commitment to minimising costs while ensuring long-term financial sustainability.

Key Budget Considerations for 2025/2026

- **Labour, fuel, and fleet maintenance** continue to be the largest operational costs, comprising nearly **80% of common fleet costs**.
- **Labour market challenges** remain a key pressure, requiring ongoing efforts to attract and retain skilled drivers and operational staff.
- **Fuel cost volatility** continues to pose a risk, though recent trends have shown some stability.
- **Fleet replacement** is funded through **external loan borrowings**, ensuring East Waste maintains a modern, efficient, and environmentally responsible fleet.
- **Contracted resource processing services and bin maintenance** continue to be provided to Member Councils at **cost price**, delivering significant savings compared to traditional waste service contracts.

The Tables on the following page provide a detailed summary of the key business activities undertaken by East Waste on behalf of its Member Councils. Table 1 provides a summary of the operating and capital income and expenditure elements forecasted for waste collection activities for 2025/26. The most significant expenditure relates to the logistical requirements of servicing the kerbside collections across eight Councils and over 25% of Adelaide's residential population. Fleet replacement, which occurs on a cyclical annual basis, is currently funded via external loan borrowings.

As can be seen from Tables 2 and 3, one of the significant benefits of being an East Waste member being that no administrative, handling or on-costs are charged in relation to resource processing contracts held by East Waste or bin maintenance services. All are charged at-cost.

Service initiatives have been significantly scaled back from FY25 to minimise operating costs and ensure a cost-efficient service for our member Councils.

While the 2025/2026 budget reflects an increase marginally higher than predicted CPI, it remains below the projections in East Waste's Long-Term Financial Plan. The focus on operational efficiencies, improved service delivery, and safety initiatives will help to manage costs and maintain value for Member Councils.

The budget to deliver this Annual Plan, along with all East Waste's Services and legislative requirements is detailed in the following proposed 2025/26 Financial Papers (refer Attachment 1 – 5).

Table 1: 2025/26 Budget Summary - Waste Collection Services

	Income \$	Expenditure \$	Net Surplus /Deficit \$
Recurrent- Waste Collection	18,348,419	18,325,433	22,986
Recurrent - Corporate Administration	403,682	-	403,682
Service Initiatives	-	245,000	(245,000)
Capital Program	-	3,524,784	(3,524,784)
Total	18,752,100	22,095,217	(3,343,116)

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

	Income \$	Expenditure \$	Net Surplus /Deficit \$
Recurrent	2,102,500	2,102,500	-
Service Initiatives	-	-	-
Capital Program	-	-	-
Total	2,102,500	2,102,500	-

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

	Income \$	Expenditure \$	Net Surplus /Deficit \$
Recurrent	9,884,524	9,884,524	-
Service Initiatives	-	-	-
Capital Program	-	-	-
Total	9,884,524	9,884,524	-

Financial Statements

EAST WASTE

Projected Statement of Comprehensive Income (Budgeted)
for the financial year ending 30 June 2026

	FY25 Adopted Budget \$'000	FY25 BR2 \$'000	FY26 Proposed Budget \$'000
Income			
User Charges	23,704	25,360	28,531
Investment income	48	130	60
Grants, subsidies and contributions	-	-	-
Other	1,552	2,119	2,119
Total	25,304	27,609	30,710
Expenses			
Employee Costs	8,865	8,930	9,170
Materials, contracts & other expenses	13,118	15,324	17,833
Depreciation, amortisation & impairment	2,707	2,640	2,835
Finance costs	694	625	720
Total	25,384	27,519	30,558
Operating Surplus / (Deficit)	(80)	90	152
Asset disposals & fair value adjustments	80	42	30
Net Surplus / (Deficit)	-	132	182
Other Comprehensive Income	-	-	-
Total Comprehensive Income	-	132	182

EAST WASTE

Projected Balance Sheet (Budgeted)
for the financial year ending 30 June 2026

	FY25	FY25	FY26
	Adopted Budget	BR2	Proposed Budget
	\$'000	\$'000	\$'000
Assets			
Current			
Cash & Cash Equivalents	2,508	1,993	2,700
Trade & Other Receivables	746	1,413	1,413
Inventory	43	63	63
Total	3,297	3,469	4,176
Non-Current			
Infrastructure, Property, Plant & Equipment	13,721	13,283	13,973
Total	13,721	13,283	13,973
Total Assets	17,018	16,752	18,149
Liabilities			
Current			
Trade & Other Payables	1,227	1,565	1,588
Borrowings	2,285	2,485	2,285
Provisions	991	1,050	1,110
Total	4,503	5,100	4,983
Non-Current			
Borrowings	11,187	10,517	11,789
Provisions	256	109	169
Total	11,443	10,626	11,958
Total Liabilities	15,946	15,726	16,941
Net Assets	1,072	1,026	1,208
Equity			
Accumulated Surplus	1,072	1,026	1,208
Total Equity	1,072	1,026	1,208

EAST WASTE

Projected Statement of Cash Flows (Budgeted)
for the financial year ending 30 June 2026

	FY25 Adopted Budget \$'000	FY25 BR2 \$'000	FY26 Proposed Budget \$'000
Cash Flows from Operating Activities			
Receipts			
Operating Receipts	25,256	27,148	30,650
Investment Receipts	48	130	60
Payments			
Employee costs	(8,745)	(8,890)	(9,050)
Materials, contracts & other expenses	(13,118)	(14,993)	(17,833)
Interest Payments	(683)	(620)	(697)
Net Cash Flows from Operating Activities	2,758	2,775	3,130
Cash Flows from Investing Activities			
Receipts			
Sale of Replaced Assets	80	42	30
Payments			
Expenditure on Renewal/Replaced Assets	(2,249)	(2,297)	(3,390)
Expenditure of New/Upgraded Assets	(60)	(60)	(135)
Net Cash Flows from Investing Activities	(2,229)	(2,315)	(3,495)
Cash Flow from Financing Activities			
Receipts			
Proceeds from Borrowings	2,114	2,179	3,390
Payments			
Repayment of Lease Liabilities	(170)	(201)	(168)
Repayment of Borrowings	(2,065)	(2,079)	(2,150)
Net Cash Flow from Financing Activities	(121)	(101)	1,072
Net Increase (Decrease) in cash held	408	359	707
Cash & cash equivalents at beginning of period	2,100	1,634	1,993
Cash & cash equivalents at end of period	2,508	1,993	2,700

EAST WASTE

Projected Statement of Changes in Equity (Budgeted)
for the financial year ending 30 June 2026

	FY25	FY25	FY26
	Adopted	BR2	Proposed
	Budget		Budget
	\$'000	\$'000	\$'000
Balance at Start of Period - 1 July	1,072	894	1,026
Net Surplus / (Deficit) for Year	-	132	182
Contributed Equity	-	-	-
Distribution to Councils	-	-	-
Balance at End of Period - 30 June	1,072	1,026	1,208

EAST WASTE

Projected Uniform Presentation of Finances (Budgeted)
for the financial year ending 30 June 2026

	FY25	FY25	FY26
	Adopted Budget	BR2	Proposed Budget
	\$'000	\$'000	\$'000
Income			
<i>User Charges</i>	23,704	25,360	28,531
<i>Investment income</i>	48	130	60
<i>Grants, subsidies and contributions</i>	-	-	-
<i>Other</i>	1,552	2,119	2,119
	25,304	27,609	30,710
Expenses			
<i>Employee Costs</i>	8,865	8,930	9,170
<i>Materials, contracts & other expenses</i>	13,118	15,324	17,833
<i>Depreciation, amortisation & impairment</i>	2,707	2,640	2,835
<i>Finance costs</i>	694	625	720
	25,384	27,519	30,558
Operating Surplus / (Deficit)	(80)	90	152
Net Outlays on Existing Assets			
<i>Capital Expenditure on Renewal and Replacement of Existing Assets</i>	(2,249)	(2,297)	(3,390)
<i>Depreciation, Amortisation and Impairment</i>	2,707	2,640	2,835
<i>Proceeds from Sale of Replaced Assets</i>	80	42	30
	538	385	(525)
Net Outlays on New and Upgraded Assets			
<i>Capital Expenditure on New and Upgraded Assets</i>	(60)	(60)	(135)
<i>Amounts Specifically for New and Upgraded Assets</i>	-	-	-
<i>Proceeds from Sale of Surplus Assets</i>	-	-	-
	(60)	(60)	(135)
Annual Net Impact to Financing Activities (Surplus/(Deficit))	398	415	(508)

Adelaide Hills Council Meeting Minutes - 27 May 2025

12.5 Draft 2025-26 East Waste Annual Business Plan and Budget

Moved Cr Mark Osterstock
§/- Cr Kirsty Parkin

179/25

Mayor _____

10 June 2025

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ADELAIDE HILLS COUNCIL
MINUTES OF ORDINARY COUNCIL MEETING
TUESDAY 27 May 2025
63 MT BARKER ROAD STIRLING

Council resolves:

1. That the report on the Draft 2025-26 Eastern Waste Management Authority (East Waste) Annual Business Plan and Budget be received and noted.
2. To receive and note the Draft 2025-26 Eastern Waste Management Authority (East Waste) Annual Business Plan and Budget
3. To provide consent to the East Waste 2025/26 Annual Business Plan and Budget.
4. That the CEO is to advise East Waste that Council has provided consent to the East Waste 2025/26 Annual Business Plan and Budget.

6 June 2025

Mr David Maywald
Acting General Manager
East Waste Management Authority

Via email: david@eastwaste.com

Dear David,

RE: REGIONAL SUBSIDIARIES ANNUAL BUSINESS PLANS AND BUDGETS 2025/26

At its meeting held Tuesday, 20 May 2025, Council Resolved (Resolution C52025/13932) in part:

11.2 Regional Subsidiaries Annual Business Plans and Budgets 2025/26

That Council approves the Eastern Waste Management Authority draft Budget 2025/26, which presents an Operating Surplus of \$152,000.

Please also note that, at the request of Council, our Support Officers will be in contact with you within the next couple of months to arrange a briefing session with Council Members.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Matthew Spearman'.

Matthew Spearman
Director Corporate



17 April 2025

Mr David Maywald
Acting General Manager
EastWaste
PO Box 26
MANSFIELD PARK SA 5012

Email: david@eastwaste.com

Dear Mr Maywald 

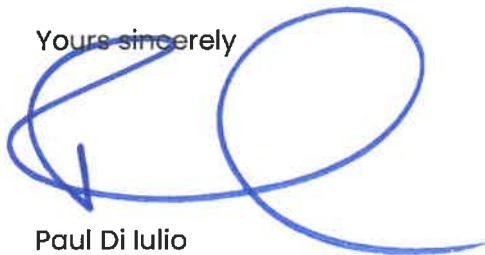
EastWaste – Draft 2025/2026 Annual Plan and Budget

I wish to advise that at its meeting held on Tuesday 15 April 2025 Council endorsed East Waste's draft 2025/2026 Annual Plan and Budget, noting a 5.24% increase in the fees to be charged to Council for the upcoming financial year, which is above CPI.

Council also recognise its equity share in EastWaste's budgeted gain of \$19,000 in the draft 2025/2026 Annual Plan and Budget prior to its endorsement for the purposes of Community consultation.

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

Yours sincerely



Paul Di Iulio
Chief Executive Officer

27 May 2025

David Maywald
Acting General Manager
East Waste
PO Box 26
MANSFIELD PARK SA 5012
Email: David@eastwaste.com



Dear Mr Maywald

Re: East Waste 2025/20264 Draft Annual Plan and Budget

I write to advise that Council has endorsed the following recommendations in relation to the East Waste 2025/2026 Draft Annual Business Plan and Budget at its Full Council meeting on 13 May 2025:

1. *That Council notes the East Waste Draft 2025/2026 Budget (Attachment A) and consents to the East Waste Draft 2025/2026 Annual Plan (Attachment B), with the following requests:*
 - a. *Greater transparency and reporting of cost pressures and increases*
 - b. *A comprehensive breakdown and impact of new services, initiatives and projects*
 - c. *Information on projects and innovation that are funded outside of the routine kerbside services.*
2. *That Council requests East Waste to provide a report on a six (6) monthly basis regarding progress towards Objective One: actions being taken to deliver cost effective and efficient services in its 2030 Strategic Plan*
3. *Council requests that East Waste provide an indicative budget prior to Council's consulting with the community in future years, given the impact on the Council's Annual Business Plan with the significant increase (over \$150,000) in the estimate of Council's waste costs.*

The report and attachments were discussed in confidence in accordance with the Local Government Act 1999.

Your upcoming meeting with Amy Pokoney Cramey, Executive Manager Strategic Projects and Climate, will allow the Council's resolution to be discussed further.

In the meantime, I can be contacted on 0419 649 926 if you have any questions.

Yours sincerely

Gemma Chambers
WASTE MANAGEMENT OFFICER

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



**City of
Norwood
Payneham
& St Peters**

22 May 2025

Mr David Maywald
Acting General Manager
Eastern Waste Management Authority
1 Temple Court
OTTOWAY SA 5013

Via email: David@eastwaste.com

Dear David

EAST WASTE DRAFT 2025-2026 ANNUAL BUSINESS PLAN & BUDGET

I am pleased to advise that at its meeting held on 5 May 2025, the Council considered the East Waste Draft 2025-2026 Annual Business Plan and Budget.

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

If you require any further information please contact me on 8366 4549 or via email: lmara@npsp.sa.gov.au

Yours sincerely

Lisa Mara
GENERAL MANAGER, GOVERNANCE & CIVIC AFFAIRS

175 The Parade
Norwood SA 5067

PO Box 204
Kent Town SA 5071

Telephone
8366 4555

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From: [Megan Gillett](#)
To: [David Maywald](#)
Subject: East Waste Draft 2025/26 Annual Plan & Budget
Date: Monday, 2 June 2025 9:37:45 AM
Attachments: [image001.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[image006.png](#)
[image007.png](#)
[image008.png](#)

Dear David,

On behalf of Sam Dilena, I wish to advise that Council considered the 2025/26 East Waste Annual Business Plan and Budget at its meeting on 27 May 2025 and resolved the following:

10.2 EAST WASTE DRAFT 2025/26 ANNUAL BUSINESS PLAN AND BUDGET

RESOLUTION 2025/75

Moved: Cr Jason Nelson
Seconded: Cr Kristina Barnett

That Council:

- 1. Having considered Item 10.2 East Waste Draft 2025/26 Annual Business Plan and Budget receives and notes the report.**
- 2. Having considered Item 10.2 East Waste Draft 2025/26 Annual Business Plan and Budget, endorses the East Waste Draft 2025/26 Annual Plan and Budget (as presented in Attachment 1).**

CARRIED UNANIMOUSLY

Kind regards,
Megan

Megan Gillett

Executive Assistant

Director City Works & Presentation

Director City Growth & Development

T. 8269 5355

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

Megan.Gillett@prospect.sa.gov.au

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





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ITEM 4.5

EASTERN WASTE MANAGEMENT AUTHORITY DRAFT 2025-26 ANNUAL BUSINESS PLAN

MOVED Councillor M Broniecki

SECONDED Councillor D Palmer

That:

1. The report be received.
2. The Eastern Waste Management Authority (East Waste) be advised that pursuant to Clause 52 of its Charter, the City of Unley has considered and approves its Draft 2025-26 Annual Business Plan, as set out in Attachment 1 to this report (Item 4.5, Council Meeting 26/05/2025).

CARRIED UNANIMOUSLY

Resolution No. C1561/25

From: [Muhammad Jawad](#)
To: [East](#); [David Maywald](#)
Subject: East Waste Draft 2025/26 Annual Plan and Budget - Approval by Town of Walkerville
Date: Monday, 2 June 2025 11:07:34 AM
Attachments: [image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Dear David,

I wish to inform you that Council considered the East Waste draft Annual Plan and Budget for 2025/26 in confidence at its ordinary meeting held on 19 May 2025 and resolved the following:

CNC113/05/25

Moved: Cr Trotter

Seconded: Cr Zeppel

That Council approves the East Waste Draft Annual Plan and Budget 2025/26.

Please feel free to contact me if you have any questions or concerns.

Regards,

Muhammad Jawad
Group Manager Finance



Town of Walkerville

Corporate Services | 66 Walkerville Terrace, Gilberton SA 5081
PO Box 55 | Walkerville SA 5081
walkerville.sa.gov.au | mjawad@walkerville.sa.gov.au

Connect with us



We acknowledge the Kaurna people as the traditional custodians of this land and respect their spiritual relationship with their country.

The draft Annual Business Plan 2025/26 is open for public consultation and we invite comments from the community. All feedback must be received by 5pm on Thursday, 19 June 2025

[Click here to read the Plan](#)

TOWN OF WALKERVILLE

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9.3 External Interim Audit Report

Report Author Manager Human Resources & Financial Services

Attachments A: Galpins FY2025 Interim Audit Management Letter

Purpose and Context

To provide the Audit & Risk Management Committee (The Committee) with an opportunity to review the results of the FY2025 Interim Audit conducted by external auditing firm Galpins.

Recommendation

That the Audit & Risk Management Committee notes and receives the FY2025 Interim Audit Management Letter (Attachment A, item 9.3, Audit & Risk Management Committee Meeting, 18 June 2025).

Strategic Link

Objective 5. Provide Leadership

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

Background

Galpins were engaged as East Waste's external auditing firm in 2024 for a three-year term, through to FY2026. The FY2025 interim audit was conducted in April 2025, with an interim management letter issued for Administration's response. The final report, including management comments, is provided at Attachment A (**refer attachment A**) for the Committee's review, prior to presentation to the East Waste Board.

Discussion

The FY2025 interim audit marks the second annual review of East Waste's internal controls undertaken by Galpins. Consistent with the FY2024 methodology, the audit focused on seven critical business cycles and assessed 31 core controls. In summary:

- 29 of 31 controls were assessed as operating effectively.
- Two controls relating to procurement and general ledger business cycles were identified as requiring action.
- Management responses have been provided within Attachment A (**refer Attachment A**), with action one action already closed out in relation to *excessive user access rights within MYOB*.

This result represents a significant improvement from the FY2024 interim audit, which identified 22 of 31 controls as effective. Administration has closed out the majority of prior recommendations, with 7 risks mitigated through enhanced processes.

A gap in procurement controls was identified through the FY2024 review of internal controls and prompted a broader review of East Waste's procurement practices. Not surprisingly this risk was noted again through the FY2025 review as Administration is still working towards strengthening procurement activities with works expected to continue through to FY2026. Focus areas include:

- Conducting periodic review of supplier cumulative spend to ensure appropriate procurement activities are undertaken
- Ensuring appropriate supplier contractual arrangements are in place
- Refining management of procurement exemptions
- Ensuring procurement records are adequately maintained
- A review of East Waste's procurement Policy (as presented within this agenda for the Committee's consideration).

Administration intends to keep Committee updated on procurement advancements through the review of the resolutions register within the information report of the Audit & Risk Management Committee Meeting Agenda. The Committee is invited to provide feedback on the FY2025 interim audit report and Management responses, with a subsequent report to be presented to the East Waste Board for noting.



Accountants, Auditors & Business Consultants

Financial Controls Review

East Waste

2024/25 Interim Management Letter

EastWaste

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www.galpins.com.au

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1. EXECUTIVE SUMMARY

1.1 Scope of our interim audit

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

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

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

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

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

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

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

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

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

1.2 Overall review of the Authority's internal controls

During our interim visit we found that the majority of key internal controls reviewed were in place and were operating effectively (29 out of 31 core controls reviewed). There were no high risk weaknesses identified. A summary of the results of our review is provided in the table below:

Business cycles	Controls Reviewed	Operating Effectively	Operating Effectively	2025 Findings			
		2025	2024	H	M	L	BP
Purchasing & Procurement/Contracting	3	2	2	-	1	-	-
General Ledger	6	5	3	-	1	-	-
Accounts Payable (AP)	4	4	3	-	-	-	-
Payroll	6	6	5	-	-	-	-
Credit Cards	4	4	1	-	-	-	-
User charges	5	5	5	-	-	-	-
Banking	3	3	3	-	-	-	-
Total	31	29	22	-	2	-	-

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

The findings were rated as follows:

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

1.3. Summary of findings

Business Cycle	Findings	Risk
Purch. Proc. Contracting	2.1.1 Instances of purchases for which evidence of procurement procedures undertaken were not on file.	M
General Ledger	2.2.1 Potentially excessive access rights assigned to MYOB users	M
Accounts Payable	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A
Payroll	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A
Credit cards	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A
User charges	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A
Banking	Audit did not find any issue that would represent a risk of a material misstatement in East Waste's financial statements.	N/A

2. DETAILED AUDIT FINDINGS

2.1 PURCHASE, PROCUREMENT AND CONTRACTING

2.1.1 Instances of purchases for which evidence of procurement procedures undertaken were not on file

Moderate

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

Finding	Recommendations	Management Response												
<p>The Procurement Policy provides the following methods of procurement based on the value of the purchase:</p> <table border="1"> <thead> <tr> <th>Value of purchase</th><th>Minimum procurement requirement</th><th>Applicable Procurement Method</th></tr> </thead> <tbody> <tr> <td>< 10,000</td><td>One quotation</td><td>Direct Purchasing Request for Quotations (RFQ) / Request for Expression of Interest (REOI) / Request for Tender (RFT) / Panel Contracts / Strategic Alliances</td></tr> <tr> <td>\$10,001 - \$100,000</td><td>Three quotations</td><td>Request for Quotations (RFQ) / Request for Expressions of Interest (REOI) / Request for Tender – Open or Select / Panel contracts / Strategic Alliances</td></tr> <tr> <td>>100,001</td><td>Open Request for Tender or EOI</td><td>Request for Expressions of Interest (REOI) / Request for Tender – Open / Panel contracts / Strategic Alliances</td></tr> </tbody> </table> <p>The policy also states that in certain circumstances, the East Waste Board or General Manager may waive application of the policy. The General Manager must record and report their reasons to the Board.</p> <p>The audit identified that, for the engagement of the suppliers listed</p>	Value of purchase	Minimum procurement requirement	Applicable Procurement Method	< 10,000	One quotation	Direct Purchasing Request for Quotations (RFQ) / Request for Expression of Interest (REOI) / Request for Tender (RFT) / Panel Contracts / Strategic Alliances	\$10,001 - \$100,000	Three quotations	Request for Quotations (RFQ) / Request for Expressions of Interest (REOI) / Request for Tender – Open or Select / Panel contracts / Strategic Alliances	>100,001	Open Request for Tender or EOI	Request for Expressions of Interest (REOI) / Request for Tender – Open / Panel contracts / Strategic Alliances	<p>The Authority ensures that procurement decisions and the procurement methods used for engaging suppliers are documented and maintained in its records management system.</p> <p>In instances where the application of the Procurement Policy is waived, formal written approval is obtained in advance, clearly outlining the reasons for the waiver, in accordance with Policy requirements. This documentation is retained and tabled to the Board as required.</p> <p>We also recommend that the Authority considers opportunities to establish panel arrangements informed by an analysis of purchasing patterns to identify high-frequency and commonly procured goods and services (e.g. temporary staffing, truck tyres, spare parts, maintenance, etc). Establishing panels for these categories would assist the Authority in</p>	<p>Administration acknowledges the findings and the associated risks when procurement decisions do not align with the Authority's Procurement Policy.</p> <p>Through this exercise Administration has undertaken a comprehensive review of supplier cumulative spend to identify deficiencies in East Waste's procurement decisions and understand instances where adequate procurement records have not been retained.</p> <p>It is evident that Management conducts procurement processes mindfully, noting individual project expenditure and one-off purchases are consistently in line with Policy requirements. However, cumulative spend as a result of recurring purchases from trusted key suppliers through the Policy triggers an alternate procurement process, which in some cases was not implemented by Management. Other</p>
Value of purchase	Minimum procurement requirement	Applicable Procurement Method												
< 10,000	One quotation	Direct Purchasing Request for Quotations (RFQ) / Request for Expression of Interest (REOI) / Request for Tender (RFT) / Panel Contracts / Strategic Alliances												
\$10,001 - \$100,000	Three quotations	Request for Quotations (RFQ) / Request for Expressions of Interest (REOI) / Request for Tender – Open or Select / Panel contracts / Strategic Alliances												
>100,001	Open Request for Tender or EOI	Request for Expressions of Interest (REOI) / Request for Tender – Open / Panel contracts / Strategic Alliances												

below, formal documentation was not available to evidence the procurement method used or to demonstrate written approval containing the reasons for waiving the application of the procurement policy.

Supplier	Cumulative spend*	Goods / services
SUP0684	\$273,248	Temp staff to backfill truck drivers
SUP1217	\$125,127	Supply of truck tyres
SUP0658	\$84,639	Supply of spare parts
SUP0189	\$84,452	Supply of transmission and maintenance

* For the first six months of the 2024/25 FY.

streamlining procurement processes, reducing administrative burden, and enabling more timely engagement of suppliers whilst still ensuring compliance with the Procurement Policy.

purchases were deemed to be exempt from the Policy, such as specialist fleet maintenance services, however Administration acknowledges accurate records were not retained in these instances.

Whilst Administration acknowledges that there have been oversights in relation to procurement decisions, this exercise prompted a review of East Waste's Procurement Policy to ensure that it aligns to East Waste's operational requirements, as well as internal staff resourcing available to undertake procurement activities. Proposed amendments have been made and are being presented to the June Audit & Risk Management Committee and Board Meetings.

In addition, following advice of Galpins, Administration intends to periodically review cumulative supplier spend via executive management meetings to ensure appropriate procurement practices and contractual arrangements are in place. Throughout FY2026, Administration will look to formalise supplier engagements, including establishing a panel of suppliers where appropriate to streamline procurement processes.

Furthermore, as per Galpin's recommendation and to promote transparency surrounding East Waste's procurement decisions, Administration will commence reporting deviations from the Policy to the Board periodically.

2.2 GENERAL LEDGER

2.2.1 Potentially excessive access rights assigned to MYOB users

Moderate

Control

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

Risk

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

Finding	Recommendations	Management Response
<p>We reviewed the list of IT users with access to key finance modules in the MYOB system. The review identified two active user accounts associated with the external accounting firm (for confidentiality, the firm's name has been replaced with 'External Accountant' and the accountant's name with 'Peter Citizen'):</p> <ol style="list-style-type: none"> User: External Accountant – account linked to a generic email address (admin@externalaccountant.com.au) and has administrator-level access. User: External Accountant Peter Citizen – account linked to the external accountant's email address (petercitizen@externalaccountant.com.au) and has access to the following modules: banking, cards, timesheets, payroll, purchases, sales and billing. 	<p>We recommend that the Authority reviews the need for maintaining User 1, which is linked to a generic email address, with administrator-level access to the MYOB system.</p> <p>We also recommend that the Authority reviews the access permissions assigned to User 2 (e.g. banking, payroll, purchases, sales) and assesses whether full access to all these modules is necessary for the user's role.</p>	<p>East Waste has reviewed user access to accounting software MYOB AccountRight, to ensure that external accounting firm Dean Newbery have appropriate access. The access level has since been restricted to 'Accountant/Bookkeeper' only.</p> <p>It was determined that additional access was granted some years ago when Dean Newbery performed payroll functions on behalf of East Waste and in oversight, was not restored to original access.</p>

APPENDIX 1 – CRITICAL INTERNAL FINANCIAL CONTROLS

USER CHARGES

Risks

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

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

BANKING

Risks

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

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

Purchasing and Procurement

Risks

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

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

ACCOUNTS PAYABLE

Risks

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

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

CREDIT CARDS

Risks

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

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

PAYROLL

Risks

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

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

GENERAL LEDGER

Risks

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

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

9.4 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 9.4, Audit & Risk Management Committee Meeting 18 June 2025 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 (KPI's) for the General Manager, to be completed by 30 June 2024. One of the KPI's was to generate a Diversity Metric for the Organisation.

On further discussion with the then General Manager, GMPRC was of the opinion that 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:

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.

The Policy was further refined and presented to the East Waste Board at its meeting of 26 September 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.

The proposed Policy was further amended and presented to the Audit & Risk Management Committee Meeting of 13 of November 2024 with the Committee resolving:

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 be referred to the East Waste Board Working Party for review.

An informal working party was established. However, as of this date the working party has not convened and since then a member of the working party has resigned from the Board. Given, the outstanding nature of the policy, the Proposed Policy has been redrafted in its entirety for consideration and comment by the Audit & Risk Management Committee prior to presentation to the East Waste Board for adoption.

Report

In preparing the draft Policy, East Waste administration was mindful of promoting diversity and inclusion in a way that is fair and equitable to all, ensuring that no individual or group is inadvertently disadvantaged or perceived to receive undue preferential treatment.

The proposed Diversity and Inclusion Policy (**Attachment A**) states East Waste's commitment to Diversity and Inclusion by '*Embracing a workplace culture of diversity and inclusion enables employees to feel safe and valued; leading to greater employee engagement, satisfaction, innovation and productivity*'.

This will be achieved through the following mechanisms, each of which is detailed in the content of the proposed Policy:

1. Uplifting capabilities
2. Attraction and retention of employees
3. Pay equity
4. Prohibited Conduct

It is proposed that diversity and inclusion activities undertaken in the financial year will be included within East Waste's Annual Report to provide accountability to our commitment to progress our diversity and inclusion objectives and commitments.

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. Introduction

- 1.1. The East Waste workforce encompasses individuals with a range of backgrounds, skills, and experiences that enrich our organisation, benefit our customers, and other key partners. We believe in the strength that arises from the variety of perspectives we embrace, whether rooted in distinct cultures or unique backgrounds and thought processes.
- 1.2. Our commitment to diversity and inclusion extends to all areas of our business and at all levels of our organisation. This includes recruitment, selection and appointment to roles, training and development, remuneration and reward, retention of employees, forms of leave and flexible working arrangements, succession planning and company policies and procedures.
- 1.3. Inclusion at East Waste relates to ensuring the working environment is one where differences are actively explored to improve business outcomes, and create a sense of belonging, trust, respect, and safety for all individuals.

2. Scope

- 2.1. This policy applies to all employees, contractors and consultants employed by the Eastern Waste Management Authority (East Waste).

3. Definitions

- 3.1. **Diversity** includes characteristics such as age, ethnicity, gender, intellectual and/or physical ability, cultural background, sexual orientation, gender identity, or intersex status. Diversity also refers to less visible aspects, such as education, socioeconomic background, faith, marital status, family responsibilities, thinking styles, experience and work styles.
- 3.2. **Inclusion** is the way an organisation's culture, values, workplaces and behaviours make a person feel valued, included and able to participate fully. It relates to a work environment where all people are treated fairly and respectfully, with equality of opportunity.
- 3.3. **Discrimination** occurs when a person, or a group of people, are treated less favourably than another person or group because of their background or certain characteristics. This is known as '*direct discrimination*'.

Whether intended or not, it is unlawful to discriminate against a person or group.

4. Policy Statement

- 4.1. Embracing a workplace culture of diversity and inclusion enables employees to feel safe and valued; leading to greater employee engagement, satisfaction, innovation and productivity.

East Waste achieves this by:

4.2. Uplifting Capabilities

- 4.2.1 uplifting the capabilities (mindsets, knowledge, skills, and behaviours) of our people and leaders to improve inclusion. This includes specific training for managers as well as broader training and education for the general workforce, including recognition of days of significance.
- 4.2.2 treating everyone fairly and equitably and acknowledging our employees have a wealth of knowledge, skills and capabilities. We consistently demonstrate appropriate workplace behaviours; we listen, engage, and understand our employees and respond appropriately to their individual needs and changing circumstances.
- 4.2.3 East Waste is committed to eliminating unlawful discrimination, workplace bullying, sexual harassment and victimisation through modelling inclusive leadership, and promoting an inclusive and respectful workplace culture.

4.4 Attraction and Retention

- 4.4.1 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 leadership positions.
- 4.4.2 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.
- 4.4.3 The remuneration paid to East Waste employees performing the same work and/or different work of equal or comparable value will be equal.
- 4.4.4 East Waste will ensure all employees are informed of all internal promotion and/or any other selection opportunities, and that recruitment for these opportunities will be conducted fairly, on the basis of merit, and against an objective criteria.

4.5 Pay Equity

- 4.5.1 The remuneration paid to East Waste employees performing the same work and/or different work of equal or comparable value will be equal.
- 4.5.2 An remuneration review process will be conducted annually to identify pay equity gaps and establish action plans to address any differences.

4.6 Prohibited Conduct

- 4.6.1 East Waste ensures that our operations are conducted safely, and that the workplace has a zero tolerance of discrimination, harassment, bullying and other unacceptable behaviours.

4.6.2 We facilitate a culture where our people feel safe to speak up about inappropriate behaviours.

4.6.3 Please refer to East Waste's Behaviour Standards Policy for detailed information in relation to the conduct expected of employees and other workplace participants.

4.7 Measurement and Reporting

4.7.1 A 'Diversity Report' will be included in our Annual Report to provide accountability to our commitment to progress our diversity and inclusion objectives and commitments.

5 Legislation

Age Discrimination Act 2004 (Cth)

Australian Human Rights Commission Act 1986 (Cth)

Disability Discrimination Act 1992 (Cth)

Local Government Act 1999 (SA)

Racial Discrimination Act 1975 (Cth)

Sex Discrimination Act 1984 (Cth)

Work Health and Safety Act 2012 (SA)

6 Related Documents

Behavioural Standards Policy

Sexual Harassment Policy

7 Review

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

Signed _____
General Manager

Signed _____
Chair of East Waste Board

Date ____/____/____

Date ____/____/____

8 Document History

Version No:	Issue Date:	Description of Change:
1.0		New Document, June 2025

9.5 Review of Procurement Policy

Report Author Acting General Manager

Attachments A: Current Procurement Policy
B. Revised Procurement Policy

Purpose and Context

East Waste's Procurement Policy (**Attachment A**) has undergone a scheduled review and is presented to the Audit and Risk Management Committee for consideration and comment prior to presentation to the East Waste Board for adoption. The revised Procurement Policy is presented as **Attachment B** to this report.

Recommendation

The Audit & Risk Management Committee having considered the revised Procurement Policy (Attachment B, Item 9.5, Audit & Risk Management Committee Meeting, 18 June 2025) recommend the revised Procurement Policy 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

East Waste's current Procurement Policy was first adopted in 2018 and was most recently reviewed in May 2022.

Section 125(1) of the *Local Government Act 1999* (the Act) provides that councils must ensure appropriate policies, practices and procedures of internal control are implemented and maintained to assist council to carry out its activities in an efficient and orderly manner to achieve its objectives, to ensure adherence to management policies, to safeguard the council's assets and to secure, as far as possible, the accuracy and reliability of Council records.

Section 125 (2) requires that policies of internal control must be in accordance with the *Better Practice Model – Internal Financial Controls*.

Being a regional subsidiary of eight (8) councils it is considered good governance and prudent financial management for the same principles to be applied to East Waste's Procurement Policy. Accordingly, the Procurement Policy has been reviewed to align with LGA Procurement's model Procurement Policy.

The revised policy also includes recommendations made by Galpins as proposed in the External Audit undertaken in April 2025.

Discussion

The Policy has been placed in the new corporate and to a large degree the framework of the existing Policy remains the same with the content update to reflect legislative requirements, recommendations from East Waste's auditors and standard practice.

The changes to the existing Policy have not been tracked, rather they have been detailed below:

Clause 1 - Introduction

The Purpose clause has been simplified and renamed Introduction as the content relates to the legislation and requirements of the East Waste Charter (the Charter) which underpin the Policy.

Clause 2 - Scope

The Scope of the revised Policy has been expanded to include procurement matters to which the Policy does not relate.

Clause 3 – Procurement Glossary

The Glossary is a new inclusion and defines words and terminology used to describe matters throughout the Policy to provide consistency and common understanding for all policy users.

Clause 4 – Policy Principle

The revised Policy principle states East Waste's commitment to maintaining fair, transparent and competitive purchasing and contracting practices achieving optimum value for money outcomes aligned to East Waste's strategic objectives, expectations of the community and the requirements of any funding sources.

The existing Policy Principles have been reframed as Procurement Objectives and are detailed in the next clause of the revised Policy.

Clause 5 - Procurement Objectives

In line with LGA Procurement's model Procurement Policy, the Policy Principles have been renamed as Policy Objectives. The following objectives are set out in the revised Policy:

- Objective 1 – Open and fair competition
- Objective 2 – Value for money
- Objective 3 – Probity, accountability and transparency
- Objective 4 – Ethical behaviour and fair dealing
- Objective 5 – Identification and management of risk
- Objective 6 – Environmental sustainability
- Objective 7 – Local economic benefit (new)
- Objective 8 – Effective management of the end-to-end procurement lifecycle (new).

Clause 6 - Procurement Thresholds

Approvals Required has been renamed *Procurement Thresholds* and sets out appropriate procurement thresholds taking into account the requirements of the Charter and East Waste's Register of Delegations. Procurements are to be made in accordance with the financial thresholds set out in *Appendix 1 – Approach to Market*.

Clause 7 - Cumulative Spend

Cumulative Spend is a proposed clause in the revised Policy. Cumulative spend shall be monitored biannually by East Waste to determine whether the appropriate procurement process has been undertaken and/or an alternative procurement method is required to be undertaken to comply with the Policy.

Clause 8 - Procurement Method

This clause of the proposed Policy has been simplified by the inclusion of the Procurement Glossary at clause 3 and the inclusion of *Appendix 1 – Approach to Market* which highlights appropriate procurement methodologies given the delegated financial constraints and the requirement to demonstrate commitment to the principle of the revised Policy.

Clause 9 - Exemptions from this Policy

Clause 9 of the revised Policy sets out occasions such as emergencies, or procurements in which a tender process will not necessarily deliver best outcome for East Waste and other market approaches may be more appropriate. This includes when there are timing constraints and where the supply market is known.

Further exemptions are listed in *Appendix 2 – Exemptions from Procurement Policy*. A desktop review of council's Procurement Policies found that these are commonly listed exemptions.

Conclusion

The revised Procurement policy is based on LGA Procurement's model Procurement Policy and is presented to the Audit & Risk Management Committee for consideration and comment prior to referral to the East Waste Board.

PROCUREMENT POLICY



Type	Policy
Category	Finance
Policy Number	003
First Issued/Adopted	February 2018
Minutes Reference	5 May 2022
Review Period	36 months
Last Reviewed	May 2022
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"> • Prudential Review Policy • East Waste Charter
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

The Eastern Waste Management Authority (herein referred to as East Waste) recognises its obligation to continuously improving management systems, and an integral process in its officers meeting due diligence requirements.

As such, the Organisation is committed to implementing this process and assisting its Officers to meet due diligence requirements through procurement.

The purpose of this Policy is to establish a framework of principles relating to the procurement activities undertaken by East Waste in accordance with:

- Section 49 of the *Local Government Act, 1999* (the Act); and
 - Clauses 39.1.2 and 63 of the Eastern Waste Management Authority Charter (the Charter).
- 1.2 Clause 39.1.2 of the Charter requires East Waste to prepare and adopt, and thereafter keep under review a policy on contracts and tenders, as would conform to Section 49 of the Act;
- 1.3 Clause 63 of the Charter provides for East Waste to acquire such assets (real or personal) as its Business Plan provides or otherwise pursuant to a Unanimous Decision of the Constituent Councils;
- 1.4 Section 49 of the Act requires East Waste to prepare and adopt policies on contracts and tenders on:
- 1.4.1 the contracting out of services; and
 - 1.4.2 competitive tendering and the use of other measures to ensure that services are delivered cost-effectively; and
 - 1.4.3 the use of local goods and services.
- 1.5 Further, Section 49(1) of the Act requires East Waste to develop and maintain policies, practices and procedures directed towards:
- 1.5.1 obtaining value in the expenditure of public money; and
 - 1.5.2 providing for ethical and fair treatment of participants; and
 - 1.5.3 ensuring probity, accountability and transparency in procurement operations.

Policy Objective

East Waste aims to achieve advantageous procurement outcomes by:

- 2.1 enhancing value for money through fair, competitive, non-discriminatory procurement;
- 2.2 promoting the use of resources in an efficient, effective and ethical manner;
- 2.3 making decisions with probity, accountability and transparency;
- 2.4 aligning procurement with the goals, values and key performance indicators of the East Waste Strategic Plan including circular economy principles.
- 2.5 advancing and/or working within East Waste's economic, social and environmental policies;
- 2.6 providing reasonable opportunity for competitive local businesses to supply to East Waste;
- 2.7 appropriately managing risk; and
- 2.8 ensuring compliance with all relevant legislation.

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Policy Scope

This Policy applies to all East Waste Employees, Board Members, Committee Members, Contractors and Volunteers when undertaking procurement activities associated with the acquisition of Goods, Works or Services of any value by East Waste.

Policy Principles

East Waste must have regard to the following principles in its acquisition of goods and services:

- 4.1 Encouragement of open and effective competition;
- 4.2 Obtaining Value for Money
 - 4.2.1 Value for Money involves obtaining goods, works or services for East Waste that best meet the end user's needs at the lowest total cost with the minimal level of acceptable contractual risk;
 - 4.2.2 Value for Money is not restricted to price alone; and
 - 4.2.3 An assessment of value for money must include, where possible, consideration of fitness for purpose, fair market prices, local economic development and whole of life costs;
- 4.3 Probity and Ethical Behaviour
 - 4.3.1 East Waste will not use or disclose information that confers unfair advantage, financial benefit or detriment to a supplier; and
 - 4.3.2 East Waste employees engaged in purchasing should always undertake their duties in a professional, ethical, honest and impartial manner, act responsibly and exercise sound judgement by observing the highest standards of integrity and professional conduct in line with the *East Waste Behaviour Standards Policy*.
- 4.4 Accountability and Transparency
 - 4.4.1 Accountability in procurement means being able to explain and evidence what has happened. An independent third party must be able to see clearly that a process has been followed and that the process is fair and reasonable;
 - 4.4.2 East Waste's Instrument of Sub-delegations define the limitations within which employees are permitted to operate. The sub-delegations ensure accountability and provide confidence to East Waste and the public that purchasing activities are dealt with at the appropriate level. As such, East Waste has delegated responsibilities to employees relating to the expenditure of funds for the purchase of goods and services and the acceptance of tenders; and
 - 4.4.3 Employees involved in procurement activities must be able to account for their decisions and provide evidence or feedback where required.
- 4.5 Ensuring compliance with all relevant legislation
 - 4.5.1 Purchasing activities are to be conducted in accordance with legislative and common law responsibilities. These include but are not limited to the *Local Government Act 1999*, *Competition and Consumer Act 2010*, the *Independent Commissioner Against*

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Corruption Act 2012, the Freedom of Information Act 1991, National Competition Policy and other relevant legislation, industrial awards and agreements and international trade agreements.

4.6 Work, Health & Safety

4.6.1 East Waste will only engage suppliers and/or contractors who are able to maintain a level of WHS that is in accordance with East Waste's WHS Policies and Procedures, and any additional requirements specified in terms and conditions of contractual arrangements.

4.7 Sustainable & Social Procurement

4.7.1 Sustainable and Social procurement is defined as a process whereby East Waste meets its procurement needs in a way that achieves value for money on a whole-of-life and holistic basis in terms of generating benefits not only to the organisation, but also to our Member Councils, the community (including diversity and inclusion), the economy and the environment in line with applicable strategic / business plans.

4.8 Environmental Preference

Where appropriate, East Waste will seek to:

4.8.1 Promote the purchase of environmentally friendly goods and services that satisfy value for money criteria;

4.8.2 Align East Waste's procurement activities with principles of ecological sustainability and the circular economy framework;

4.8.3 Purchase recycled and environmentally preferred products;

4.8.4 Integrate relevant principles of waste minimisation and energy;

4.8.5 Encourage the development of products and services which have a low environmental impact;

4.8.6 Provide leadership to business, industry and the community in promoting the use of environmentally sensitive goods and services.

Approvals Required

5.1 Any procurement, must be undertaken in accordance with East Waste's Instrument of Sub-delegations.

5.2 No goods, works or services may be procured unless they form part of a budget which has been formally approved by the East Waste Board. Expenditure that does not form part of an approved budget may not be incurred or committed without formal approval of the East Waste Board.

5.3 Expenditure authorities, as outlined in East Waste's Instrument of Sub-delegations, are to be exercised by the appropriate delegate prior to commencing with the procurement process.

5.4 Where possible, the requisitioning authority and authorising authority for the procurement of goods, works or services must not be exercised by the same delegate, with the exception of the General Manager, where in circumstances due to the size of the Organisation, this is not practical.

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Methods of Procurement

Generally, open and fair competition is achieved by undertaking a procurement process so that all interested parties have an opportunity to bid. However, there may be procurements in which a tender process will not necessarily deliver the most advantageous outcome for East Waste – in such cases other market approaches may be more appropriate.

East Waste may, having regard to its Policy Principles and any other factors considered relevant by East Waste, in their discretion, determine to utilise one or more of the following procurement methods:

6.1 *Direct Purchasing*

- 6.1.1 This is where East Waste purchases from a single source, without first obtaining competing bids.
- 6.1.2 This method may be suitable for low value, low risk goods and services or where the supplier has a successful service history with East Waste or where the supplier has particular expertise required by East waste, for instance in the case of a consultant or professional services provider.

6.2 *Request for Quotations (RFQ)*

- 6.2.1 This is where East Waste obtains written quotations from prospective suppliers.
- 6.2.2 Generally, a minimum of three written quotations are sought.
- 6.2.3 This method may be suitable for simple, largely price-based purchases.

6.3 *Requests for Expressions of Interest (REOI)*

- 6.3.1 This is where East Waste issues an open invitation for the proposed acquisition of goods, works or services.
- 6.3.2 This method may be used where is potentially a large market for the proposed goods and/or service, and East Waste would like to be able to prepare a short list of suppliers to then invite to participate in a tender process.

6.4 *Request for Tender (RFT)*

- 6.4.1 This is where East Waste issues a tender for proposed goods, works or services.
- 6.4.2 East Waste may issue a 'Select' Request for Tender where it has already issued a REOI, or where it has reasonable grounds for only dealing with a select group of potential suppliers.
- 6.4.3 Otherwise, East Waste may issue an 'Open' Request for Tender.

6.5 *Panel contracts*

- 6.5.1 This is where East Waste establishes panel arrangements with a select group of suppliers – generally, this occurs once East Waste has completed its appointment of such suppliers in accordance with this Policy, and can include either:
 - 6.5.1.1 a standing offer from a pool of suppliers for the provision of goods and services on agreed terms; or
 - 6.5.1.2 the prequalification of certain suppliers who may or may not be engaged on terms to be agreed.

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6.5.2 Once a panel has been established, East Waste may purchase the particular goods and/or service through such panel arrangements.

6.6 *Strategic alliances*

6.6.1 This is where East Waste undertakes procurement through contract arrangements already established and administered by other organisations, which may include:

- 6.6.1.1 LGA Procurement;
- 6.6.1.2 Procurement Australia;
- 6.6.1.3 State Government Contracts;
- 6.6.1.4 an East Waste Member Council.

Minimum Procurement Requirements

The appropriate method of procurement will be considered by reference to a number of factors, including:

7.1 *Value of the Purchase*

Value of Purchase	Minimum Procurement Requirement*	Applicable Procurement Method	Decision Making Responsibility
< \$10,000	One quotation**	Direct Purchasing Request for Quotations (RFQ) Request for Expression of Interest (REOI) Request for Tender (RFT) Panel Contracts Strategic Alliances	Employees – within the limit of their delegated purchasing authority (see Instrument of Sub-delegations) and the approved budget.
\$10,001 - \$100,000	Three quotations	Request for Quotations (RFQ) Request for Expressions of Interest (REOI) Request for Tender – Open or Select Panel Contracts Strategic Alliances	Employees – within the limit of their delegated purchasing authority (see Instrument of Sub-delegations) and the approved budget.
> \$100,001	Open Request for Tender or EOI	Request for Expressions of Interest (REOI) Request for Tender (RFT) – Open Panel Contracts Strategic Alliances	East Waste Board – taking into account recommendations by employees

*East Waste is not beholden to just adhere to the minimum requirement, this requirement may be exceeded.

**Quotations – must be received in writing.

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Delegated Purchasing Authority

The East Waste Board makes delegations to the General Manager under the East Waste Charter and *Local Government Act 1999*. This power is sub-delegated by the General Manager to other East Waste employees in accordance with the Instrument of Sub-delegations.

Only East Waste employees with delegated authority under the East Waste Charter can incur expenditure on behalf of East Waste.

Records

East Waste must record written reasons for using a specific procurement method in each activity and where it uses a procurement method other than tendering.

Exemptions From This Policy

- 10.1 This Policy contains general guidelines to be followed by East Waste in its procurement activities. There may be emergencies, or procurements in which a tender process will not necessarily deliver best outcome for East Waste, and other market approaches may be more appropriate. This includes when there are timing constraints and where the supply market is known.
- 10.2 In certain circumstances, the East Waste Board or General Manager (where the power is delegated) may waive application of this Policy and pursue a method which will bring the best outcome for East Waste. The General Manager must record and report its reasons to the East Waste Board for any waiving or deviation from application of this Policy.
- 10.3 The General Manager may waive application of this Policy for contract extensions where the terms and conditions in the original executed contract allow for an extension, and there has been no significant change in market conditions.

Procurement Procedures

The General Manager has the delegation to approve, amend and review any procedures that shall be consistent with this Policy.

Document History:	Version No:	Issue Date:	Description of Change:
	1.0	FEBRUARY 2018	New Document (superseded Purchase of Goods and Service Policy)
	1.2	JUNE 2020	Amendments made in accordance with Agenda Item 7.4 East Waste Board Meeting 25 June 2020. Endorsed by Board with Amendments.
	1.3	May 2022	Minimum value of Purchases updated and other minor amendments.

Procurement Policy

1. Introduction

- 1.1. The Eastern Waste Management Authority herein referred to as East Waste recognises its obligation to continuously improving management systems, and an integral process in its officers meeting due diligence requirements.
- 1.2. In compliance with Section 49 of the *Local Government Act 1999* (the Act) and Clause 39.1.2 of the *Eastern Waste Management Authority Charter* (the Charter) and best practice principles define the methods by which East Waste can acquire goods and services.
 - demonstrate probity, accountability and responsibility of East Waste to all stakeholders.
 - enable consistency of approach in the application of the procurement process.
 - be fair and equitable to all parties involved.
 - ensure the best possible outcome is achieved for East Waste.

2. Scope

- 2.1. This Policy applies to all procurement activities undertaken in the acquisition of goods or services on behalf of East Waste, while giving due regard to financial thresholds outlined in Procurement Thresholds – Clause 6 below, whether solicited by East Waste or the result of an unsolicited proposal and whether transacted via a trading account or East Waste expense card.
- 2.2. This Policy does not cover:
 - non-procurement expenditures such as sponsorship, grants, funding arrangements, donations and employment agreements.
 - real property acquisitions of land, buildings or structures.
 - the disposal of land and other assets.

3. Procurement Glossary

In this Policy, unless a contrary intention appears, definitions have the following meaning:

Agreement	An agreement between two or more authorised persons on behalf of their organisations to perform or not perform a specific act that is enforceable in law. An agreement may be verbal, written or inferred by conduct.
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Approach to market	A general collective term used to describe an invitation to suppliers to provide quotes, proposals, expressions or registrations of interest or tender responses
Contractor	Is an individual or organisation that is formally engaged to provide goods or services for or on behalf of an entity. This definition does not apply to casual, fixed-term or temporary employees directly employed by the entity.
Direct purchase	Procurement process undertaken by directly approaching and negotiating with one supplier or contractor without testing the market. This method is generally only appropriate for low value and low risk goods and services.
Emergency situation	A situation where East Waste is required to remedy or make good damage incurred to property from a natural or man-made incident. The General Manager has the authority to act in an Emergency Situation. Goods and services in these instances may be purchased from a supplier or contractor without reference to the financial limitations provided in this Policy.
Expression of Interest (EOI)	Used to identify suppliers and contractors interested in, and capable of, delivering the required goods or services. Potential suppliers and contractors are asked to provide information on their capability and capacity to do the work. It is usually the first stage of a multi-stage procurement process.
Goods	A physical or tangible item that does not include a labour component
Lifecycle cost	The total cost of an item or system over its full life. It includes the cost of development, production, ownership (operation, maintenance, support), and disposal, if applicable. Also referred to as whole of life cycle cost or total cost of ownership.
Local supplier	A supplier or contractor which is beneficially owned by persons who are residents or ratepayers of a Constituent Council, or has its principal business within the Constituent Council's area, or a business that substantially employs persons who are residents or ratepayers.
Probity	Uprightness, honesty, proper and ethical conduct and propriety in dealings. It is often also used in government in a general sense to mean good process.
Procurement	A series of activities that are undertaken when purchasing goods and services, based on three key phases: planning, purchasing and contract management
Procurement process	The step-by-step process for the planning, establishment and contract management of small and large acquisitions.

Purchase order	The official document used by East Waste to record its commitment to purchase goods and/or services. It contains advice to the supplier of Council's standard terms and conditions for the purchase
Purchasing	The process by which an organisation contracts with another party to obtain the goods and services required to fulfil its business objectives.
Quotation/quote	An offer to supply goods and/or services, usually in response to an invitation to supply known as a request for quotation. Often used interchangeably with proposal, tender, bid and offer.
RFQ	A written process of inviting offers to supply goods and/or services involving simple documentation and a limited number of potential suppliers or contractors.
RFT	An invitation to supply or a request for offer against a set of clearly defined and specified requirements. Invitees are advised of all requirements involved including the conditions of participation and proposed contract conditions.
Services	The performance of a task, duties or work for another, by an individual or an organisation, which normally involves the provision of labour and/or professional services.
Supplier	A person or entity that provides goods or service to East Waste.
Total cumulative spend	The total expenditure with a supplier or contractor or a number of suppliers or contractors over a set time period providing similar goods or services of an ongoing nature
Value for money	Achieved in procurement by finding the optimum balance of financial and non-financial factors including whole of life cost (lifecycle cost).

4. Policy Principle

- 4.1. East Waste is committed to maintaining fair, transparent and competitive purchasing and contracting practices achieving optimum value for money outcomes aligned to East Waste's strategic objectives, expectations of the community and the requirements of any funding sources.

5. Procurement objectives

5.1. Objective 1 – Open and fair competition

East Waste is committed to achieving a range of objectives through its procurement processes that may be considered alongside achieving value for money outcomes. Such objectives should be supported by appropriate evaluation criteria and weightings and decisions of the East Waste Board of Management.

- 5.1.1 There is reasonable access for all suitable and competitive suppliers and contractors to East Waste's business.

5.1.2 Where market circumstances limit competition, procurement activities recognise this, and associated methodology takes account of it.

5.1.3 Adequate, identical, and timely information is provided to all suppliers and contractors to enable them to quote or tender.

5.2. **Objective 2 - Value for money**

Value for money outcomes can be achieved through balanced consideration of financial and non-financial factors relevant to the procurement.

The following factors should be considered:

- The contribution to East Waste's long-term plan and strategic direction.
- Any relevant direct and indirect benefits to East Waste, both tangible and intangible.
- Efficiency and effectiveness of the proposed procurement activity.
- The performance history, quality and scope of services, and support of each prospective supplier and contractor.
- Fit for purpose of the proposed goods or service.
- Whole of life costs including acquiring, using, maintaining and disposal.
- East Waste's internal administration costs.
- Technical compliance issues and costs.
- Risk exposure and WHS considerations.
- Prevailing market forces and trends.
- The value of any associated environmental benefits.
- Local economic development and social inclusion.
- Trade-in values.
- Other relevant matters identified in specific procurement process documentation.

5.3. **Objective 3 - Probity, accountability and transparency**

All procurement shall be undertaken in a manner that ensures:

- Clearly established roles and responsibilities.
- Appropriate record keeping and documentation.
- Integrity through transparency of process and documentation of decisions made.
- Adherence to relevant legislation, policy, and procedure.
- Identification and management of actual or potential conflicts of interest. and
- Confidentiality of all commercial information.

5.4. **Objective 4 – Ethical behaviour and fair dealing**

All employees involved in procurement activities are to:

- Behave with impartiality, fairness, openness, integrity, and professionalism.
- Provide all suppliers and contractors with equal opportunity to supply to East Waste.

- Establish clear and easy to understand documentation requirements, evaluation criteria and methodology.
- Provide consistent processes and constructive feedback on decisions upon request from suppliers and contractors. and
- Ensure effective communication and provision of information to all suppliers and contractors.

5.5. Objective 5 – Identification and management of risk

The Risk Assessment process should consider financial, supply, business, legal, management, reputations, probity, work health and safety, environmental, public safety, political and sensitive risks.

Risks relating to the procurement process may include:

- Procurement of unsuitable product or service.
- Funding (e.g. internal & external, impact on long term financial plan).
- Probity failure.
- Inappropriate or inadequate specification.
- Negotiation of agreement terms/failure to agree to terms.
- Actual or perceived breach of probity/confidentiality.
- Lack of responses/limited supplier participation. and
- Evaluation processes.

Risks relating to the engagement of the product/service provider may include:

- Supplier capability/capacity/availability.
- Agreement management/supervision.
- Price variations.
- Agreement disputes.
- Unauthorised change in scope of work.

5.5.1 Risk Assessment

East Waste employees will ensure that appropriate practices and procedures of internal control and risk management are in place for its procurement activities, including risk identification, assessment, and implementation of controls in accordance with East Waste's Risk Management Framework.

5.6. Environmental Sustainability

East Waste promotes environmental sustainability through its procurement activities and will consider the purchase of environmentally sustainable goods and services that satisfy the value for money criteria by:

- Purchasing recycled and environmentally preferred products where possible.
- Adopting purchasing practices which conserve natural resources.
- Aligning the East Waste's procurement activities with principles of ecological sustainability.

- Selecting products and services which have lower environmental impacts across their life cycle compared with competing products and services.
- Integrating relevant principles of waste minimisation and conservation of energy.
- Provide leadership to business, industry, and the community in promoting the use of environmentally sensitive goods and services.
- Fostering the development of products and services which have a low environmental impact.

5.7. Local Economic Benefit

East Waste will endeavour to, at its discretion and to the full extent permitted by law, support local businesses by:

- Promoting to local and regional businesses opportunities to supply to East Waste.
- Giving preference to local business.
- Considering economic and social inclusion elements such as employment creation and training opportunities specifically within the East Waste service area.

5.8. Effective management of the end-to-end- procurement lifecycle

The procurement lifecycle includes all of the steps and tasks within the procurement process, from needs identification and data gathering to contract management, delivery of goods or services and relationships with suppliers and contractors.

East Waste employees will determine appropriate methodology within the various steps of the procurement lifecycle including planning, risk management, tendering, purchasing, contracting and financial control with regard to the scale, complexity and importance of the goods or services being acquired.

6. Procurement thresholds

- 6.1. Clause 63 of the Charter provides for East Waste to acquire such assets (real or personal) as its Business Plan provides or otherwise pursuant to a Unanimous Decision of the Constituent Councils.
- 6.2. Procurements are to be in accordance with East Waste's financial thresholds outlined in East Waste's Register of Delegations and this Policy.
- 6.3. The value of the procurement is calculated as follows:
 - Single one-off procurement – the total amount, or estimated amount, of the procurement (excluding GST).
 - Multiple procurements with the same supplier or contractor – the gross value, or the estimated gross value, of the procurements (excluding GST).
 - Ongoing procurements over time – the annual gross value, or the estimated annual gross value, of the procurements (excluding GST).
- 6.4. The value of a procurement or transaction is calculated across all elements of the procurement process including any agreement options, extensions, renewals, and

contingencies (exclusive of GST) and should be considered in the planning phase of the project.

- 6.5. Splitting the value of the purchase into individual components to meet with lower value of purchase thresholds is not permitted.
- 6.6. If East Waste enters into a strategic alliances procurement process under this policy (Strategic Alliances) then there will be no requirement for East Waste to approach the wider market or enter into a separate RFT/RFQ as an open tender process has already been undertaken.

East Waste can meet its procurement requirements through contractual arrangements established and administered by other organisations that demonstrate adherence to the requirements of this policy. The use by East Waste of Strategic Alliances means that the methods of procurement set out in this policy will be undertaken pursuant to and in accordance with the arrangements set out under the Strategic Alliances.

- 6.7. Procurements are to be made in accordance with the financial thresholds set out in Appendix 1 – Approach to Market.

7. Cumulative spend

- 7.1. Cumulative spend is identified as the estimated value of the total proposed purchase(s), including any agreement options, extensions and renewals (exclusive of GST), and potential cumulative value of the goods or services supplied over a period of time i.e. twelve (12) months against a supplier and contractor.
- 7.2. Cumulative spend shall be monitored biannually by East Waste to determine whether the appropriate procurement process has been undertaken and/or an alternative procurement method is required to be undertaken to comply with this policy.

8. Procurement method

- 8.1. The appropriate procurement method will be determined on a case by case basis. Consideration needs to be given to the aggregate spend for the life of the contract/agreement with each supplier to ensure that the aggregate amount remains within the appropriate procurement category.
- 8.2. **Appendix 1** provides direction to Employees (unless as otherwise approved within the Chief Executive Officer's delegated purchasing authority) regarding the approach to market selection options available and decision making responsibility for procurements.
- 8.3. For agreements that span multiple years, the dollar ranges referred to in Appendix 1 relate to the value of the goods/services purchased for the potential life of the contract (including renewal options).

9. Exemptions from this Policy

- 9.1. This Policy contains general guidelines to be followed by East Waste in its procurement activities. There may be emergencies, or procurements in which a tender process will not necessarily deliver best outcome for East Waste and other market approaches may be more appropriate. This includes when there are timing constraints and where the supply market is known.
- 9.2. The authority to approve an exemption from using the required method of procurement is delegated to the General Manager in accordance with expenditure delegations as listed in East Waste's Register of Delegations. Exemptions to this Policy shall be reported to the Board through the Information Report.
- 9.3. The General Manager, on approving an exempt method, will consider the scale, scope and relative risk of the purchase, including the principles defined in this Policy.
- 9.4. A request for waiver of a competitive process should not be viewed as a mechanism to remove the need for rigorous procurement planning.
- 9.5. Situations where it may be appropriate to waive application of this Policy are:
 - There may be a public risk if the procurement is delayed by process requirements, such as emergency situations threatening life and/ or property.
 - The pressures of time are such that an open tender call is not feasible, such as where there has been an unanticipated Board or Government policy decision.
 - East Waste purchases assets or goods at an auction up to \$100,000.
 - East Waste purchases second hand goods or assets up to \$100,000.
 - A supplier or contractor is evidenced to be a 'sole supplier or contractor' in the market and effectively a niche specialist or monopoly, rendering the tender process redundant.
 - A supplier or contractor who has considerable background knowledge and experience, or specialist expertise on that particular East Waste project or asset e.g. an extension of a previous project. In such circumstances, the procurement of assets, goods or services on negotiated fees and terms through that supplier or contractor alone may be deemed sound and advantageous to the project. This could include engaging the supplier or contractor on a retainer basis for a specialised period of time.
 - Continuation of services under an existing purchasing arrangement (i.e. variations/ extensions to existing purchase orders or agreements).
 - Good or services are being provided under an existing purchasing arrangement (i.e. warranty, servicing, maintenance or defects liability).
 - Where knowledge, design and/ or intellectual property is being retained to secure continuity of a staged initiative which may be disadvantaged (e.g. time, objective, financially) if subjected to a further competitive engagement process.
- 9.6. A list of items which are exempt from this Policy are included at **Appendix 2**.

10. Legislation

Competition and Consumer Act (Cth) 2010
Competition Policy Reform (SA) Act 1996
Criminal Law Consolidation Act 1935
Disability Inclusion Act 2018
Environment Protection Act 1993
Freedom of Information Act 1991
Independent Commission Against Corruption Act 2012
Industry Advocate Act 2017
Local Government (Elections) Act 1999 – Caretaker Provision
Local Government Act 1999 (SA)
Local Government (Financial Management) Regulations 2011
Modern Slavery Act (Cth) 2018
Ombudsman Act 1972
State Records Act 1997
Trades Practices Act (Cth) 1974
Work Health and Safety Act (SA) 2012 and Regulations 2012

11. Related Documents

Annual Budget/Business Plan
Contractor Management Policy
Corporate Credit Card Policy
Delegation Register
Eastern Waste Management Authority Charter
Financial Management Policy
Fraud and Corruption Prevention Policy
Internal Audit Policy
Internal Controls
National Competition Policy (Federal)
Prudential Management Policy
Risk Management Policy

12. Review

This Procurement Policy shall be reviewed by East Waste Board at minimum within three (3) years of issued date or more frequently if legislation or organisational needs change.

Signed _____
General Manager

Signed _____
Chair East Waste Board

Date ____/____/____

Date ____/____/____

13. Document History

Version No:	Issue Date:	Description of Change:
1.0	February 2018	New Document, (superseded Purchase of Goods and Service Policy)
2.0	25/06/2020	Amendments made in accordance with Agenda Item 7.4 East Waste Board Meeting 25 June 2020. Endorsed by Board with Amendments.
3.0	May 2022	Minimum value of Purchases updated and other minor amendments.
4.0	April 2025	Aligned with LGA model Procurement Policy

Appendix 1 – Approach to Market

Procurement Category	Estimated Value Range (ex GST)	Acceptable Approaches to Market	Decision Making Responsibility
1	\$1 to \$10,000	<ul style="list-style-type: none"> • Direct sourcing / negotiation • Use of existing third party contracts • Panel arrangements / arrangements with prequalified suppliers • Strategic alliances 	Employees – within the limit of their delegated purchasing authority and the approved budget.
2	\$10,001 to \$50,000	<ul style="list-style-type: none"> • Direct negotiation with preferred supplier(s) where market is known to be limited • Use of existing third party contracts • Extending existing contractual arrangements • Panel arrangements / arrangements with prequalified suppliers • Written quote from at least one (1) supplier • Strategic alliances. 	Employees – within the limit of their delegated purchasing authority and the approved budget.
3	\$50,001 to \$100,000	<ul style="list-style-type: none"> • Direct negotiation with preferred supplier(s) where market is known to be limited • Use of existing third party contracts • Extending existing contractual arrangements • Panel arrangements / arrangements with prequalified suppliers • Joint procurement arrangements with other Councils • Written quotes from at least three (3) suppliers 	Employees – within the limit of their delegated purchasing authority and the approved budget.

		<ul style="list-style-type: none"> • Strategic alliance • Open / Select / Limited / Staged Tender 	
4	\$100,001 to \$250,000	<ul style="list-style-type: none"> • Direct negotiation with preferred supplier(s) where market is known to be limited • Use of existing third party contracts • Extending existing contractual arrangements • Panel arrangements / arrangements with prequalified suppliers • Written quotes from at least three (3) suppliers • Strategic alliances • Open / Select / Limited / Staged Tender 	Executive Leadership Team within the approved budget and limit of their delegated purchasing authority.
5	Greater than \$250,000	<ul style="list-style-type: none"> • Use of existing third party contracts • Extending existing contractual arrangements • Panel arrangements / arrangements with prequalified suppliers • Strategic alliances • Open / Select / Limited / Staged Tender 	East Waste Board having taken into account recommendations from the General Manager.

Appendix 2 – Exemptions from Procurement Policy

The items listed below have been identified as being exempt from the requirements of this Policy and may be directly sourced:

- Legal and HR advice
- Debt collection services
- Software licensing
- Vehicle registrations
- Refunds or reimbursement of expenses (including Petty Cash)
- Banking and cash collection services
- Borrowing and lease costs (principal and interest
- Auditor's fees
- Statutory Government charges
- Courier services
- Insurance premiums and excess payments
- Leases and rentals
- Postal services
- Subscriptions and memberships
- Travel and accommodation (i.e. taxi fares)
- Utilities (water, electricity, gas, telephone, fuels)
- Independent Member allowances and payments.

9.6 Information Report

Report Author	Executive Assistant
Attachments	A: Acting General Manager Credit Card March & April 2025 B: Outstanding Resolutions Register C: Annual Reporting Calendar

Purpose and Context

The Information Report 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 Committee 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.

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. Update on appointment of Independent Member to the East Waste Audit and Risk Management Committee

Ms Sandra Di Blasio has tendered her resignation from the Audit and Risk Management Committee effective 20 February 2025. In accordance with the Audit & Risk Management Committee's Terms of Reference:

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.

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.

East Waste Administration have drafted the advertisement for the role and expect to have the advertisement placed on AICD and seek by the time the committee meets.

2. Credit Card Expenditure

The presentation of the Acting General Managers credit card expenditure will be a standing item in accordance with both the recommendations from the review of Internal Controls and the East Waste Credit Policy.

The Committee will note the details of the expenditure for March & April 2025 included at **Attachment A**. Extract from Review of Internal Controls:

The Authority considers the appropriateness of current review practices for the General Manager's credit card transactions.

Credit Card Policy extraction:

2.7.4 The East Waste Audit & Risk Management Committee will review the General Manager's credit card reconciliation, at least quarterly, via the Information Report within the Meeting Agenda.

3. Outstanding Resolutions Register

The presentation of the Outstanding Resolutions Register to the Audit & Risk Management Committee is considered a good governance practice. The Outstanding Resolutions Register (**refer Attachment B**) depicts the status of past resolutions of the Committee for the period to 12 June 2025.

At this time, as indicated on the attached Register, activities associated with two resolutions remain ongoing, relating to the finalisation of the Diversity & Inclusion Policy, and the closing out of one final actions as recommended through the review of East Waste's internal controls, undertaken in conjunction with the FY2024 interim financial audit.

The Diversity & Inclusion Policy is presented within this Agenda and is intended to be presented to the Board for endorsement at the June Board Meeting.

In addition, whilst initially reported to be closed out by December 2024, Administration is still working to finalise one outstanding recommendation within the Management letter issued by Galpins through the review of Internal controls, being:

'The Authority ensures that there are formal agreements with suppliers with significant cumulative spend, and that works are not commenced prior to signing of contracts.'

While this particular action remains ongoing, the action is consistent with the outcome of the FY2025 interim financial audit, and therefore it has been marked complete on the register from June 2025, noting this action will now be carried forward and tracked through the closing out of actions from the FY2025 interim audit, which will follow in a later resolution.

4. 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 C**) 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.

5. Carbon reporting Project

East Waste has recently engaged Dsquared Consulting to support the organisation's carbon reporting initiative, as outlined in our Annual Plan. The project is now underway, with the initial phase focused on collecting and analysing data to establish a baseline understanding of East Waste's current carbon emissions.

This foundational data will be critical as we begin setting meaningful emissions reduction targets.

It is anticipated that the primary contributor to East Waste's emissions profile will be diesel consumption from our fleet of collection vehicles. However, having accurate and verified data will enable us to identify opportunities for emissions reduction and guide future procurement decisions.

6. General Manager Recruitment

The East Waste Board has established a General Manager Recruitment and Selection Committee to oversee the shortlisting, interview process, and recommendation to the Board for the appointment of a new General Manager. To support the Committee, Hender Consulting has been engaged to manage the recruitment process. The role has been advertised and, to date, approximately fifty (50) applications have been received and initially shortlisted by Hender Consulting.

ITEM 9.6 - ATTACHMENT A

CREDIT CARD RECONCILIATION MARCH 2025 DAVE MAYWALD						
Value Date	Transaction Description	Description	Coding	Amount	Receipt	GST
3/03/2025	SMP*Drummer Boy Cafe Port Adelaide AU	Catering for meeting with Consultant		\$ 14.23	No	\$ -
11/03/2025	MICROSOFT#G082445989 MSBILL.INFO AU	Microsoft Azure license fee		\$ 70.14	Yes	\$ -
13/03/2025	FITMYCAR.COM LARA AU	Car Mats for fleet vehicle		\$ 209.98	Yes	\$ 19.09
13/03/2025	OPTUS BILLING AUTOPAY MACQUARIE PAR AU	Mobile phone account as per employment contract		\$ 56.90	Yes	\$ 11.44
21/03/2025	OFFICEWORKS 0505 CROYDON AU	Mobile WIFI to assist with network outage in office		\$ 98.00	Yes	\$ 8.90
21/03/2025	OFFICEWORKS 0505 CROYDON AU	Mobile WIFI to assist with network outage in office		\$ 77.00	Yes	\$ 7.00
24/03/2025	TELSTRA PREPAID MELBOURNE AU	Top up of Prepaid WIFI to assist with network outage in office		\$ 74.00	Yes	\$ -
24/03/2025	TELSTRA PREPAID MELBOURNE AU	Top up of Prepaid WIFI to assist with network outage in office		\$ 74.00	Yes	\$ -
24/03/2025	TELSTRA PREPAID MELBOURNE AU	Top up of Prepaid WIFI to assist with network outage in office		\$ 74.00	Yes	\$ -
TOTAL				\$ 748.25		

DN Maywald

David Maywald

15 April 2025

CREDIT CARD RECONCILIATION APRIL 2025 DAVE MAYWALD						
Value Date	Transaction Description	Description	Coding	Amount	Receipt	GST
10/04/2025	CIBO WORLD PTY LTD HYDE PARK AU	Catering for Meeting		\$ 11.60	Yes	\$ 1.05
11/04/2025	MICROSOFT#G086167599 MSBILL.INFO AU	Mircosoft Azzure Fees		\$ 76.56	No	\$ -
14/04/2025	OPTUS BILLING AUTOPAY MACQUARIE PAR AU	Mobile phone account		\$ 125.90	Yes	\$ 11.44
TOTAL				\$ 214.06		

DN Maywald

David Maywald

16 May 2025

ITEM 9.6 - ATTACHMENT B

Audit and Risk Management Committee Outstanding Resolutions Register as at 12 June 2025				
19/06/2024	9.2	Interim Audit Report	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.	COMPLETE Matters relating to one action remain ongoing which requires East Waste to refine it's procurement processes and Administration has been actively working towards this. This prompted a review of East Waste's Procurement Policy as presented within this Agenda. The recommendation from Galpins remains consistent through the FY2025 Interim Audit and tracking of this action going forward will be captured through the FY2025 interim audit actions. Remaining actions are complete and currently in practice.
13/11/2024	9.7	Proposed Diversity & Inclusion Policy	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 be referred to the East Waste Board Working Party for review.	ONGOING A (redrafted) proposed Diversity and Inclusion Policy is included within this agenda.

East Waste Annual Reporting Calendar Board and Audit & Risk Management Committee 2025

	Feb	Apr/May	Jun	Sep	Nov	
Audit & Risk Management Committee Meeting	Feb 19	Apr 23	Jun 18	Sep 17	Nov 12	✓ Item previously presented/endorsed
Board Meeting	Feb 27	May 1	Jun 26	Sep 25	Nov 27	✓ 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		✓			Prepared by Galpins
	A&R	Review of Porposed Internal Audit Work Plan		✓			Draft a assurance map presented to April meetings. Draft audit plan presented in June.
B	A&R	Budget Review 3		✓			
B	A&R	Interim External Audit Report			✓		
B	A&R	Annual Plan and Budget Endorsement			✓		
B		Review of Confidential Orders			✓		Board Agenda only.
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					
B	A&R	Customer Service Metrix Report					New annual addition to the Agenda, as requested at November 2024 Board Meeting.
	Governance						
B	A&R	Board & Committee Appointments	✓				
B		Annual Education Summary Report			✓		Board Agenda only.
B		Lodgment of RPD, Primary, and Ordinary Returns					
B		General Manager Performance Review					Subject to recruitment and arrangements for newly appointed General Manager.
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	•	✓			Endorsed in April meeting cycles.