



# **Eastern Waste Management Authority Audit & Risk Management Committee Meeting**

## **Agenda**

**Wednesday 18 February 2026**

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 February 2026 commencing at 4pm.

A handwritten signature in black ink, appearing to be "L. Leyland", written over a horizontal line.

Leonard Leyland  
**General Manager**

## 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 February 2026 commencing at 4 pm.  
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 12 November 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	Financial Report: FY2026 Budget Review Two	Page 9
9.2	Draft 2026/27 Annual Plan & Budget Assumptions	Page 19
9.3	Strategic Risk Register Review	Page 40
9.4	Internal Audit Result – Payroll	Page 45
9.5	Internal Audit Action Progress Tracking	Page 79
9.6	General Manager's Update	Page 81
9.7	Information Report for February 2026	Page 85

#### 10. Other Business

## **11. Next Meeting of the Board**

The next Ordinary Audit & Risk Management Committee Meeting is proposed to be held at 4 pm on: Wednesday 22 April 2026, at HenderCare 3/81 Flinders Street, Adelaide.

## **13. Closure of Meeting**



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

**Minutes**

Wednesday 12 November 2025

## Minutes

### Eastern Waste Management Authority Ordinary Meeting of the Audit & Risk Management Committee

Meeting to be held on Wednesday 12 November 2025 commencing at 8:00 am,  
HenderCare, Level 3/81 Flinders Street, Adelaide.

The Chair, Mrs E Hinchey, declared the meeting open at 8.00 am and that a quorum was present. The Chair welcomed Ms Natalie Caon to her first meeting of the East Waste Audit & Risk Management Committee.

#### 1. Acknowledgement of country

#### 2. Present

##### Directors:

Mrs E Hinchey	Independent Chairperson
Ms L Green	Independent Member (via MS Teams).
Ms N Caon	Independent Member

##### In Attendance:

Mr L Leyland	General Manager
Mr D Maywald	Manager Business Services
Ms K Vandermoer	Manager Human Resources & Financial Services
Ms V Davidson	Executive Administration Officer; Independent Consultant
Ms Corinne Garrett	UHY Haines Norton
Ms Karen Peake	UHY Haines Norton

#### 3. Apologies

Mr F Bell	East Waste Board Representative
Mr P Di Iulio	East Waste Board Representative

#### 4. Disclosures of interest

The following disclosure of interest was made:

Item	Type of Conflict	Person
9.2	s120	Ms V Davidson

#### 5. Confirmation of the minutes

Moved Ms L Green that the Minutes of the East Waste Audit and Risk Management Committee meeting held on 17 September 2025 be confirmed as a true and correct record.

Seconded Ms N Caon

**Carried**

## 6. Matters arising from the minutes

Nil.

## 7. Questions without notice

Nil.

## 8. Presentations

### 8.1 Cost Model Update – General Manager

## 9. Reports

*The Chair sought and was granted to leave to bring forward Item 9.2 Internal Audit Result :Payroll*

*Ms V Davidson declared a s120 interest in this item and left the meeting at 8.03 am.*

### 9.2 Internal Audit Result: Payroll

Moved Ms N Caon that the Audit & Risk Management Committee receives and notes the Payroll Internal Audit Report prepared by UHY Haines Norton, as presented in Attachment A - 'UHY Haines Norton Internal Audit Report' (Item 9.2, Audit & Risk Management Committee Meeting, 12 November 2025).

Seconded: Ms L Green

**Carried**

### 9.1 Financial Statements – FY2026 Budget Review One

Moved Ms N Caon that the Audit & Risk Management Committee notes and accepts the forecasted end of year FY2026 result associated with the 2025/26 Budget Review One and recommends to the East Waste Board for adoption.

Seconded: Ms L Green

**Carried**

### 9.3 Annual Treasury Management Performance Report

Moved Ms N Caon that the Audit & Risk Management Committee receive and note the 2025 Annual Treasury Management Performance Report (Attachment A, Item 9.3, Audit & Risk Management Committee Meeting, 12 November 2025) and recommend to the Board for adoption.

Seconded: Ms N Caon

**Carried**

### 9.4 Customer Service Metrics Report

Moved Ms L Green that the Audit & Risk Management Committee notes the Customer Service Metrics Report (Attachment A, Item 9.4, Audit & Risk Management Committee Meeting, 12 November 2025) and recommends Item 9.4 Customer Service Metrics Report for presentation to the East Waste Board.

Seconded: Ms N Caon

**Carried**

### 9.5 Board & Committee Performance Evaluations

Moved Ms N Caon that the Audit & Risk Management Committee receives and notes the Board & Audit & Risk Management Committee Performance Evaluation Report,

(Attachment A, Item 9.5, Audit & Risk Management Committee Meeting 12 November 2025) prepared by Red Wagon Solutions.

Seconded: Ms L Green

**Carried**

## **9.6 Proposed Meeting Schedule**

Moved Ms N Caon that the Audit & Risk Management Committee receive and note the proposed meeting schedule for 2026 and recommends the proposed schedule to the East Waste Board for adoption, noting that Audit & Risk Management Committee meetings will be held at Hender Care, Level 3/81 Flinders Street Adelaide.

Seconded: Ms L Green

**Carried**

## **9.7 Information Report**

Moved Ms N Caon that the Audit & Risk Management Committee receives and notes the Information Report.

Seconded: Ms L Green

**Carried**

## **10. Closure**

The Chairperson declared the meeting closed at 9.29 am.

- 11.** The next Ordinary Audit & Risk Management Committee Meeting is proposed to be held on a date and time to be confirmed at HenderCare, Level 3/81 Flinders Street, Adelaide.

*These minutes have been signed as a true and correct record of the East Waste Audit & Risk Management Committee Meeting of 12 November 2025.*

Chairperson

Date    /    /

## 9.1 Financial Statements - Budget Review Two

**Report Author** Manager Human Resources & Financial Services

**Attachments**

- A: Summary Budget Movement – Budget Review Two
- B: Budgeted Statement of Comprehensive Income FY2026
- C: Budgeted Balance Sheet FY2026
- D: Budgeted Statement of Cash Flow FY2026
- E: Budgeted Statement of Changes in Equity FY2026
- F: Budgeted Uniform Presentation of Finances Statement FY2026

### Purpose and Context

To provide the East Waste Audit & Risk Management Committee (the Committee) with an opportunity to review the second review undertaken of the budgeted statutory Financial Statements (Budget Review Two) for the financial year ending 30 June 2026 as prescribed by the Regulations.

### Recommendation

***That the Audit & Risk Management Committee notes and accepts the forecasted end of year FY2026 result associated with the 2025/26 Budget Review Two and recommends 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

At the meeting held 26 June 2025, the East Waste Board resolved (in part):

#### **9.1 2025/26 Annual Plan and Budget**

*Moved Cr T Jennings that the East Waste Board:*

1. *Adopts the 2025/26 Annual Business Plan and Budget, inclusive of all projects and expenditure (Attachment A, Item 9.1, East Waste Board Meeting, 26 June 2025)*

*Seconded Cr G Piggot*

**Carried**

### Discussion

East Waste undertakes quarterly budget reviews in line with the *Local Government (Financial Management) Regulations 2011*, with this being second review of the budget for FY2026.

A comparison between the adopted budget forecast result and year to date result to December 2025 has been completed and reported within the Summary Budget Movement report as presented in Attachment A (**refer attachment A**).

As at 31 December 2025, East Waste has recorded a Net Surplus of \$111K (year-to-date actuals) against a forecast full-year predicted Net Surplus of \$85K predicted at Budget Review One for FY2026.

While key budget lines and assumptions remain stable and in line with predictions at Budget Review One, variances have been reviewed with updated forecasted operating income and expenses recorded in the updated Budget Review Two as presented. Overall, a net increase of 27K in operating expenses is forecasted, to achieve a predicted surplus of \$58K for FY2026.

The budgeted Financial Statements are supplied as per attachments B-F (**Refer attachment B-F**) and a summary of the budget movements across income and expenses have been summarised below:

## Statement of Comprehensive Income:

### 1. Bin Services & Maintenance

An increase in income and expenses of \$107K is forecasted to account for expected increased additional bin permit and hard waste collection services uptake by residents, in addition to increased purchases of bin related infrastructure and repairs by Member Councils under East Waste led contracts. Increases in activities results in \$nil impact on Net Result for the financial year given this is an 'at cost' service provided to Member Councils.

### 2. Project Income

A new income account has been setup in Q2, to recognise income received through monthly billing to Member Councils to offset East Waste's additional operating costs associated with the delivery of special projects, primarily FOGO trials, where they are not captured in the Common Fleet Costing model.

While the process for cost-recovery remains unchanged, Administration deems it important to report on this line independently, ensuring recovered costs are transparent, providing assurance that non-participating Member Councils are not subsidising projects undertaken by other Member Councils in the interim. The finalisation of the review of East Waste's cost model will influence the process for cost-recovery of these activities in the future.

A budget of \$130K is proposed, being the anticipated full-year income based on known trials and activities as at Budget Review Two.

### 3. Fleet Maintenance

A 50K increase in Fleet Maintenance expense is proposed, as a result of recent unexpected breakdowns and urgent repairs to heavy fleet, to ensure optimal availability of fleet for operation. While contracted maintenance remains stable and in line with original budget predictions, the costs associated with unforeseen maintenance as a result of breakdowns remains a challenge for Administration. While a buffer for unexpected maintenance is factored into the original budget assumptions, two engine replacements alone valued at \$50K each in Q2 have absorbed a large portion of this. The proposed budget movement aligns year-to-date actuals with 50% of the full-year budget, to be closely monitored throughout the remainder of FY2026. Importantly, the fleet maintenance budget reflects an expanded fleet of 59 vehicles, to support the facilitation of current FOGO trials, with partial costs of maintenance recovered through Project Income.

## 4. Fuel Costs

Due to more favourable fuel costs in the first half of FY2026, the revised full-year budget estimate now reflects a saving of \$65K. However, the cost per litre and the total volume of fuel forecasted for the second half of FY26 remain unchanged from the assumptions used in the original adopted Budget.

## 5. Other Income & Other Expenses

A reduction of \$41K in *Other Income* is forecasted as a result of:

- A reduction of \$106K to Sundry Income to accommodate the movement of FOGO related income to a standalone reporting line being Project Income.
- A \$65K increase projected for Interest Income, reflective of average holdings and interest rates anticipated, for funds invested in East Waste's LGFA investment account.

Additional *Other Expenses* totalling \$128K have been forecasted relating to:

- Consulting: \$85K increase proposed to ensure key deliverables involving external consultants can progress steadily in FY2026. An allowance is also included to support/backfill executive staff while a member of the Executive team takes a period of absence in Q4.
- Education: an increase of \$10K is proposed, to reflect the current expenditure associated with the roll-out of the KESAB schools program.
- Project Expense: New expense account setup to offset 'Project Income' where there is a direct cost associated with FOGO trials or special projects. \$5K has been forecasted at Budget Review Two with all costs being on-charged to participating Member Councils.
- Licence Fees: \$27K to account for higher software and licencing costs than anticipated, primarily associated with East Waste's external IT support.
- Depot Maintenance: \$25K increase is proposed following elevated depot maintenance costs in the first half of FY2026.
- Staff Development: a Saving of 25K is proposed through Budget Review Two, as a result of reduced staff training and Executive coaching expected to be undertaken in the second half of FY2026.

## Summary of Variances

As a result of the matters noted above, they have been reflected as following in the key Budgeted Financial Statements as follows:

**Table 1: Summary Budget Movement \$'000**

Budget Item	Budget Description	Statement of Comprehensive Income Favourable / (Unfavourable)	Cash Flow Statement Increase / (Decrease)
1	Bin Service Income	107	107
1	Bin Service Expenses	(110)	(110)
2	Project Income	130	130
3	Fleet Maintenance Expense	(50)	(50)
4	Fuel Expense	65	65
5	Other Income	(41)	(41)
5	Other Expenses	(128)	(128)
<b>Summary Movement</b>		<b>(27)</b>	<b>(27)</b>

**EAST WASTE**  
**Summary Budget Movement Worksheet**  
**for the Financial Year Ending 30 June 2026**

	Actual as at 31 December 2025	Adopted Budget	BR1	Proposed Budget (BR2)	Actual YTD / Proposed BR2	Proposed Budget Movement	Comments
Administration Fee	148,841	297,682	297,682	297,682	50%	-	
Common Fleet Costing	9,174,210	18,348,419	18,348,419	18,348,419	50%	-	
Processing Income	4,957,156	9,884,523	9,884,523	9,884,523	50%	-	
Bin Services & Maintenance	1,629,280	2,102,500	2,102,500	2,210,000	74%	107,500	Increase represents estimated additional bin income, bin repair infrastructure and related purchases under East Waste led contract.
Profit / (Loss) from Disposal	-	30,000	30,000	30,000	0%	-	
Project Income	40,990	-	-	130,000	32%	130,000	New income account to track FOGO and project billing. Represents anticipated FOGO income directly oncharged to Councils in FY26.
Grant Income	-	-	-	-	0%	-	
Other Income	92,415	76,000	191,000	150,000	62% -	41,000	\$65K increase in anticipated <i>Interest Income</i> , offset by \$106K decrease in <i>Sundry Income</i> as Income has now been moved to <i>Project Income</i>
<b>Total</b>	<b>16,042,892</b>	<b>30,739,124</b>	<b>30,854,124</b>	<b>31,050,624</b>		<b>196,500</b>	
Processing Expenses	4,951,637	9,884,523	9,884,523	9,884,523	50%	-	
Bin Service & Maintenance Expenses	1,635,589	2,102,500	2,102,838	2,213,500	74%	110,663	Increase represents estimated additional bin expense, bin repair infrastructure and related purchases under East Waste led contract.
Employee Costs	4,504,615	9,169,978	9,261,473	9,261,473	49%	-	
Fleet Maintenance	1,175,738	2,015,481	2,309,740	2,359,740	50%	50,000	Increase related to current fleet maintenance trends, further detail in report.
Depreciation	1,388,120	2,834,881	2,834,881	2,834,881	49%	-	
Interest	339,955	720,000	720,000	720,000	47%	-	
Fuel	900,458	2,053,487	1,953,487	1,888,487	48%	(65,000)	Equivalent fuel savings in BR2 actuals versus budget. Original budget assumptions remain for second half of FY2026.
Other Expenses	1,035,373	1,776,605	1,701,605	1,829,489	57%	127,884	\$10K Education, \$5K Project Expense, 85K Consulting, \$27K Licence Fees, \$25K Depot Maintenance, \$25K Saving Staff Development.
<b>Total</b>	<b>15,931,485</b>	<b>30,557,455</b>	<b>30,768,547</b>	<b>30,992,093</b>		<b>223,547</b>	
<b>Net Surplus</b>	<b>111,406</b>	<b>181,669</b>	<b>85,577</b>	<b>58,531</b>		<b>(27,047)</b>	

Non Operating Cash Flow	Actual as at 31 December 2025	Adopted Budget	BR1	Proposed Budget (BR2)	Actual YTD / Proposed BR2	Proposed Budget Movement	Comments
<b>Income</b>							
Proceeds from Sale of Assets	-	30,000	30,000	30,000	0%	-	Assumptions remain in line with original adopted budget at BR2.
Proceeds from the Sale of Motor Vehicles	-	-	-	-	0%	-	
Proceeds from Borrowings	3,390,237	3,390,000	3,390,000	3,390,000	100%	-	Loan settled and new trucks acquired on time as per original Budget assumptions.
<b>Total</b>	<b>3,390,237</b>	<b>3,420,000</b>	<b>3,420,000</b>	<b>3,420,000</b>		-	
<b>Expenses</b>							
Fleet Replacement Costs	3,377,784	3,389,784	3,389,784	3,389,784	100%	-	New trucks acquired in Q2 in line with Fleet Asset Management Plan.
Motor Vehicle Replacement	-	50,000	50,000	50,000	0%	-	Executive fleet scheduled to be replaced in second half of FY26.
Operations Office Upgrade	9,056	60,000	60,000	60,000	15%	-	Works on new pergola/undercover area have commenced, further works to undertake in FY26.
Plant Replacement	7,793	25,000	25,000	25,000	31%	-	
Repayment of Borrowings - LGFA	1,045,193	2,139,614	2,139,614	2,139,614	49%	-	As per Budget Assumptions.
Repayment of Borrowings - Leases	80,631	168,000	168,000	168,000	48%	-	As per Budget Assumptions.
<b>Total</b>	<b>4,520,457</b>	<b>5,832,398</b>	<b>5,832,398</b>	<b>5,832,398</b>		-	
<b>Net Non-Operating Cash Flow</b>	<b>(1,130,220)</b>	<b>(2,412,398)</b>	<b>(2,412,398)</b>	<b>(2,412,398)</b>		-	

## ITEM 9.1 - ATTACHMENT B

### EAST WASTE

Projected Statement of Comprehensive Income (Budgeted)  
for the Financial Year Ending 30 June 2026

FY2025		FY2026	FY2026	FY2026	FY2026
Audited Actuals		Adopted Budget	BR1	BR2	Movement BR2 v BR1
\$'000		\$'000	\$'000	\$'000	\$'000
	<b>Income</b>				
25,178	User Charges	28,531	28,531	28,661	130
133	Investment income	60	75	140	65
-	Grants, subsidies and contributions	-	-	-	-
2,085	Other	2,119	2,119	2,220	101
<b>27,396</b>	<b>Total</b>	<b>30,710</b>	<b>30,725</b>	<b>31,021</b>	<b>296</b>
	<b>Expenses</b>				
8,894	Employee Costs	9,170	9,261	9,261	-
15,081	Materials, contracts & other expenses	17,833	17,952	18,176	224
2,590	Depreciation, amortisation & impairment	2,835	2,835	2,835	-
612	Finance costs	720	720	720	-
<b>27,177</b>	<b>Total</b>	<b>30,558</b>	<b>30,768</b>	<b>30,992</b>	<b>224</b>
<b>219</b>	<b>Operating Surplus / (Deficit)</b>	<b>152</b>	<b>(43)</b>	<b>29</b>	<b>72</b>
55	Asset disposals & fair value adjustments	30	30	30	-
<b>274</b>	<b>Net Surplus / (Deficit)</b>	<b>182</b>	<b>(13)</b>	<b>59</b>	<b>72</b>
-	Other Comprehensive Income	-	-	-	-
<b>274</b>	<b>Total Comprehensive Income</b>	<b>182</b>	<b>(13)</b>	<b>59</b>	<b>72</b>

**EAST WASTE**

Projected Balance Sheet (Budgeted)

for the Financial Year Ending 30 June 2026

FY2025		FY2026	FY2026	FY2026	FY2026	FY2026
Audited		Adopted	BR1	BR2	BR2	Movement BR2
Actuals		Budget		Adjustment		v BR1
\$'000		\$'000	\$'000		\$'000	\$'000
	<b>Assets</b>					
	<b>Current</b>					
1,722	Cash & Cash Equivalents	2,700	2,234	72	2,306	72
1,824	Trade & Other Receivables	1,413	1,831	-	1,831	-
38	Inventory	63	38	-	38	-
<b>3,584</b>	<b>Total</b>	<b>4,176</b>	<b>4,103</b>	<b>72</b>	<b>4,175</b>	<b>72</b>
	<b>Non-Current</b>					
13,221	Infrastructure, Property, Plant & Equipment	13,973	13,881	-	13,881	-
<b>13,221</b>	<b>Total</b>	<b>13,973</b>	<b>13,881</b>	<b>-</b>	<b>13,881</b>	<b>-</b>
<b>16,805</b>	<b>Total Assets</b>	<b>18,149</b>	<b>17,984</b>	<b>72</b>	<b>18,056</b>	<b>72</b>
	<b>Liabilities</b>					
	<b>Current</b>					
1,555	Trade & Other Payables	1,588	1,555	-	1,555	-
2,127	Borrowings	2,285	2,285	-	2,285	-
1,015	Provisions	1,110	1,075	-	1,075	-
<b>4,697</b>	<b>Total</b>	<b>4,983</b>	<b>4,915</b>	<b>-</b>	<b>4,915</b>	<b>-</b>
	<b>Non-Current</b>					
10,875	Borrowings	11,789	11,789	-	11,789	-
65	Provisions	169	125	-	125	-
<b>10,940</b>	<b>Total</b>	<b>11,958</b>	<b>11,914</b>	<b>-</b>	<b>11,914</b>	<b>-</b>
<b>15,637</b>	<b>Total Liabilities</b>	<b>16,941</b>	<b>16,829</b>	<b>-</b>	<b>16,829</b>	<b>-</b>
<b>1,168</b>	<b>Net Assets</b>	<b>1,208</b>	<b>1,155</b>	<b>72</b>	<b>1,227</b>	<b>72</b>
	<b>Equity</b>					
1,168	Accumulated Surplus	1,208	1,155	72	1,227	72
<b>1,168</b>	<b>Total Equity</b>	<b>1,208</b>	<b>1,155</b>	<b>72</b>	<b>1,227</b>	<b>72</b>

# ITEM 9.1 - ATTACHMENT D

## EAST WASTE

### PROJECTED STATEMENT OF CASH FLOWS (BUDGET)

for the Financial Year Ending 30 June 2026

FY2025		FY2026	FY2026	FY2026	FY2026
Audited Actuals		Adopted Budget	BR1	BR2	Movement BR2 v BR1
\$'000		\$'000	\$'000	\$'000	\$'000
	<b>Cash Flows from Operating Activities</b>				
	<b>Receipts</b>				
26,521	Operating Receipts	30,650	30,650	30,881	231
133	Investment Receipts	60	75	140	65
	<b>Payments</b>				
(8,933)	Employee costs	(9,050)	(9,141)	(9,141)	-
(14,710)	Materials, contracts & other expenses	(17,833)	(17,952)	(18,176)	(224)
(632)	Interest Payments	(697)	(697)	(697)	-
<b>2,379</b>	<b>Net Cash Flows from Operating Activities</b>	<b>3,130</b>	<b>2,935</b>	<b>3,007</b>	<b>72</b>
	<b>Cash Flows from Investing Activities</b>				
	<b>Receipts</b>				
77	Sale of Replaced Assets	30	30	30	-
	<b>Payments</b>				
(2,236)	Expenditure on Renewal/Replaced Assets	(3,390)	(3,390)	(3,390)	-
(32)	Expenditure of New/Upgraded Assets	(135)	(135)	(135)	-
<b>(2,191)</b>	<b>Net Cash Flows from Investing Activities</b>	<b>(3,495)</b>	<b>(3,495)</b>	<b>(3,495)</b>	<b>-</b>
	<b>Cash Flow from Financing Activities</b>				
	<b>Receipts</b>				
2,178	Proceeds from Borrowings	3,390	3,390	3,390	-
	<b>Payments</b>				
(200)	Repayment of Lease Liabilities	(168)	(168)	(168)	-
(2,078)	Repayment of Borrowings	(2,150)	(2,150)	(2,150)	-
<b>(100)</b>	<b>Net Cash Flow from Financing Activities</b>	<b>1,072</b>	<b>1,072</b>	<b>1,072</b>	<b>-</b>
<b>88</b>	<b>Net Increase (Decrease) in cash held</b>	<b>707</b>	<b>512</b>	<b>584</b>	<b>72</b>
<b>1,634</b>	<b>Cash &amp; cash equivalents at beginning of period</b>	<b>1,993</b>	<b>1,722</b>	<b>1,722</b>	<b>-</b>
<b>1,722</b>	<b>Cash &amp; cash equivalents at end of period</b>	<b>2,700</b>	<b>2,234</b>	<b>2,306</b>	<b>72</b>

# ITEM 9.1 - ATTACHMENT E

## EAST WASTE

Projected Statement of Changes in Equity (Budgeted)  
for the Financial Year Ending 30 June 2026

FY2025		FY2026	FY2026	FY2026	FY2026
Audited		Adopted	BR1	BR2	Movement BR2
Actuals		Budget			v BR1
\$		\$'000	\$'000	\$'000	\$'000
894	<b>Balance at Start of Period - 1 July</b>	1,026	1,168	1,168	-
274	Net Surplus / (Deficit) for Year	182	(13)	59	72
-	Contributed Equity	-	-	-	-
-	Distribution to Councils	-	-	-	-
<b>1,168</b>	<b>Balance at End of Period - 30 June</b>	<b>1,208</b>	<b>1,155</b>	<b>1,227</b>	<b>72</b>

# ITEM 9.1 - ATTACHMENT F

## EAST WASTE

Projected Uniform Presentation of Finances (Budgeted)  
for the Financial Year Ending 30 June 2026

FY2025		FY2026	FY2026	FY2026
Audited Actuals		Adopted Budget	BR1	BR2
\$'000		\$'000	\$'000	\$'000
<b>Income</b>				
25,178	User Charges	28,531	28,531	28,661
133	Investment income	60	75	140
-	Grants, subsidies and contributions	-	-	-
2,085	Other	2,119	2,119	2,220
<b>27,396</b>		<b>30,710</b>	<b>30,725</b>	<b>31,021</b>
<b>Expenses</b>				
8,894	Employee Costs	9,170	9,261	9,261
15,081	Materials, contracts & other expenses	17,833	17,952	18,176
2,590	Depreciation, amortisation & impairment	2,835	2,835	2,835
612	Finance costs	720	720	720
<b>27,177</b>		<b>30,558</b>	<b>30,768</b>	<b>30,992</b>
<b>219</b>	<b>Operating Surplus / (Deficit)</b>	<b>152</b>	<b>(43)</b>	<b>29</b>
<b>Net Outlays on Existing Assets</b>				
(2,236)	Capital Expenditure on Renewal and Replacement of Existing Assets	(3,390)	(3,390)	(3,390)
2,590	Depreciation, Amortisation and Impairment	2,835	2,835	2,835
77	Proceeds from Sale of Replaced Assets	30	30	30
<b>431</b>		<b>(525)</b>	<b>(525)</b>	<b>(525)</b>
<b>Net Outlays on New and Upgraded Assets</b>				
(32)	Capital Expenditure on New and Upgraded Assets	(135)	(135)	(135)
-	Amounts Specifically for New and Upgraded Assets	-	-	-
-	Proceeds from Sale of Surplus Assets	-	-	-
<b>(32)</b>		<b>(135)</b>	<b>(135)</b>	<b>(135)</b>
<b>618</b>	<b>Annual Net Impact to Financing Activities (surplus/(deficit))</b>	<b>(508)</b>	<b>(703)</b>	<b>(631)</b>

## 9.2 Draft 2026/27 Annual Plan & Budget

**Report Author** General Manager

**Attachments** A: East Waste Draft 2026/27 Annual Plan  
B: Draft Budget Summary Movement Table

### Purpose and Context

To present to the Audit and Risk Management Committee (the Committee) the key assumptions applied in the development of the Draft 2026/27 Annual Business Plan and Budget prior to being presented to the East Waste Board.

### Recommendation

**That the Audit & Risk Management Committee:**

1. **Notes and approves the draft 2026/27 Annual Plan for presentation to the Board.**
2. **The draft 2026/27 Draft Budget Key Assumptions are noted and supported for presentation to the Board.**

### 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* requires the Authority to have an Annual Plan which supports and informs its Budget. The draft Annual Plan and Budget will be presented to the Board on 26 February 2026, seeking endorsement to distribute to Member Councils for their review and consent prior to the mandated 31 May timeframe (*Section 52.3 of the Charter*).

Additionally, *Section 53* requires the Authority to advise Constituent Councils of proposed fees for the next financial year by April 1. Worthy of note, the Member Councils are only required to endorse the Annual Plan, not the Budget itself, but financials are incorporated into the Annual Plan.

### Discussion

#### Draft 2026/27 Annual Plan – Background

The 2026/27 Annual Plan is intended to drive forward core objectives including, especially Objectives 1, 3 and 5 (**refer Attachment A**), specifically with a view to; improving transparency and engagement with Member Councils, safety and service delivery quality and education. While FY26 had limited projects due to the leadership recruitment activity, achieving FY27 objectives will lean into digital reporting upgrades, workforce review and looking for value opportunities, especially in fleet maintenance. Development and implementation of the Service Level Agreements will effectively link

into the Cost Model review and improve overall visibility for Council Members, which will be enhanced with online, accessible reporting which represents East Waste performance metrics.

## Draft 2026/27 Budget – Key Assumptions

The draft 2026/27 Budget (FY27 Budget) has been developed with reference to the following key guiding documents and assumptions which are further outlined:

- East Waste proposed FY26 Budget Review Two Financial Statements;
- East Waste Strategic Plan 2030;
- East Waste Budget Framework Policy;
- East Waste’s Long-Term Financial Plan; and
- East Waste’s Fleet Asset Management Plan.

A review of East Waste’s cost model commenced in August 2025, and while the project is in its final stages, the FY27 Budget has been developed based on East Waste’s existing cost model structure and Budget Framework. Administration anticipates once a final position on the revised Cost Model is agreed upon, updated framework will apply to the development of future Budgets (or at a time as otherwise determined by the East Waste Board).

An overall increase of 4.62% on the originally adopted FY26 Common Fleet Costing charge is forecasted for FY27 to meet operational requirements. This represents a 4.52% increase on the proposed FY26 Budget Review Two (BR2) result. This is inclusive of the 1% operating surplus being retained, equal to an additional \$190K charge in FY27 being factored into the Budget, recovered per the Common Fleet Costing percentage allocations across all 8 Member Councils.

While the proposed Budget reflects some savings across key expense lines due to realised efficiencies, other expenses are expected to increase, driven by CPI, and changes in operational requirements. Some significant expenses not driven by CPI, particularly borrowing costs (interest expense) and depreciation, fluctuate annually, and are influenced by the level of capital expenditure undertaken by East Waste. Consequently, Administration has less control over these expenditure items, as well as other costs like fuel, which are driven by external market forces.

During the Budget development process, Administration thoroughly assessed all cost centre expenditures, reflecting commitment to efficiency and cost-effective services for Member Councils.

Key assumptions and rationale for key budget areas are detailed below, and a Budget Summary Movement Table is included at Attachment B (**refer Attachment B**) for summarised context. The full suite of proposed Budgeted Financial Statements are included within the Appendix of the draft Annual Plan.

## General Comments

- The Adelaide-based December annual CPI rate of 3.3% has been applied where applicable, higher than the anticipated 3% assumption within the LTFP.
- Financial Target 1 of the East Waste *Budget Framework Policy* requires the application of 1% of the net Common Fleet Collection Charge to be applied and this has been included (\$190K).

- Operational Hours remained relatively consistent with the prior year (with the exception of FOGO trial collection hours) which has been factored into budget decisions.

## Waste Disposal (Processing) Activities

An Increase in income and expenses of 0.59% when compared with FY26 BR2 for waste processing activities is forecasted.

Marginal or stable tonnage increases are expected for Landfill, Recycling and Hard Waste processing, with Organics seeing higher expected tonnages as a result of FOGO trials. However, Organics sees a significant reduction in expenses compared with BR2 given the reduced \$/tonne achieved through a new contract entered into in FY26, with temporary elevated rates paid in Q2 of FY26.

Administration has also anticipated increase to Recycling gate rates, expecting a market reset with current contract due to expire in 2026, assuming a new contract is effective from November 2026.

Changes to the volume of activities results in \$nil impact on Net Result given it is an 'at cost' service provided to Member Councils.

## Bin Services & Maintenance

The Forecasted increase in income and expenses of 6.81% compared to FY26 BR2 is attributed to:

- The anticipated number of permits issued to Council residents is assumed to remain stable in line with FY26 assumptions, combined with an expected CPI increase to be applied to permit prices, dependent on individual Member Council decisions.
- The Assumption that purchases of bin related infrastructure by Member Councils under East Waste led contracts will increase YOY consistent with FY26 trends, with CPI increases applied. Costs associated with bin repairs in Council areas are also captured and have seen steady increases.

Changes to the volume of activities results in \$nil impact on Net Result given this is an 'at cost' service provided to Member Councils.

## Profit/(Loss) on Disposal of Assets

Assumptions relating to expected profits from sale of assets remain consistent with FY26 assumptions, with 6 x RACVs still expected to sell for just \$5K per vehicle in the current market.

## Project Income

\$205K of Project Income is expected to be received through monthly billing to Member Councils to offset East Waste's additional operating costs associated with the delivery of special projects, primarily FOGO trials, where they are not captured in the Common Fleet Costing model. The full-year budget is reflective of both existing trials, and known new trials scheduled to commence in FY27.

The process for cost-recovery remains consistent with FY26 assumptions, and the finalisation of the review of East Waste's cost model is expected to influence the process for cost-recovery of these activities in the future.

### **Employee Costs**

Employee costs are forecasted to increase by 5.62% when compared with FY26 BR2. A CPI increase has been applied across all positions where appropriate, with some minor increases to contact hours for office staff accounted for in line with evolving business needs, as well as for the backfill of Leave. A portion of wages relating to the onboarding of a contractor to a permanent employee, previously budgeted for in an alternate expense line, is also now reflected in the budgeted Employee Costs.

The remaining increase is primarily attributed to a budgeted additional 1.6 driver FTE inclusive of overtime, versus FY26 BR2, to meet increased operational requirements, primarily associated with servicing FOGO trials scheduled for FY27. It is important to note that the increased labour as a result of servicing FOGO trials is partially recouped through the on charging to Member Councils through 'Project Income.'

### **Fleet Maintenance**

Fleet maintenance is forecasted to decrease by 1.87% on FY26 BR2, with FY26 experiencing what Administration considers an anomaly year, with higher than usual increases in unexpected maintenance occurring. With newer and more reliable Volvo trucks replacing older fleet and expected to cost less in maintenance long-term, combined with costly motor replacements undertaken in FY26, Administration is optimistic that fleet maintenance costs will stabilise. Maintenance costs are reflective of the expanded fleet of 59 vehicles, with an additional two trucks expected to remain in the fleet through FY27 to service FOGO trials, with maintenance costs partially recovered through 'Project Income.'

### **Depreciation**

Depreciation is projected to increase by 6.85% compared to the FY26 BR2 figures, primarily attributed to an increase in replaced vehicles per annum in line with East Waste's fleet replacement schedule, as a result of the temporary expanded fleet, combined with attempts to gradually reduce the average age across the fleet. The increase in depreciation aligns to financial projections within the Fleet Asset Management Plan.

### **Interest Expense**

Interest is forecasted to increase by 11.94% versus FY26 BR2 figures being the interest portion of East Waste's LGFA borrowings, and interest incurred through the depot lease calculation. Fluctuations in interest are YOY are predominantly impacted by the timing of scheduled loan repayments, forecasted interest rates on new borrowings, including the timing of the new loan to be drawn down for the purchase of 6 x new RACVs in the FY27 year.

The FY27 budget assumes that East Waste will borrow for 100% of the FY27 fleet replacement (being \$3.50m) at a fixed rate 5.5% over an 8-year term.

## Fuel Costs

Fuel is projected to increase by just 2.17% versus FY26 BR2, assuming litres used over the 12-month period remain relatively stable, and East Waste obtains an average fuel price of \$1.64/Litre throughout the year, lower than predicted in FY26. Given the volatile nature of diesel prices, Administration typically remains conservative when forecasting the fuel budget. However, reflective of recent budget reviews, noting stable diesel prices and consistent savings realised each quarter, Administration is comfortable the FY27 fuel Budget is realistic.

## Capital Expenditure

In Line with East Waste's current Fleet Asset Management Plan & Strategy, 6 x waste collection vehicles (RACVs) are schedule to be replaced in FY27, consistent with FY26, to a total investment of approximately \$3.5mil. This will be the second round of vehicles purchased under a 3-year contract entered into with Superior Pak in FY2025. 125K is allowed for other plant and equipment replacement, being a small reduction on the prior year Budget.

## External Loan Borrowings

Additional forecasted loan principal payments have been forecasted for the purchase of the new 6 x RACVs in the Cash Flow Statement and have been reflected in the closing balance of the forecasted loans as at 30 June 2027.

## Other Expenses

- Consulting fees see a 16% reduction when compared with FY26 BR2, due to a number of special projects undertaken in FY26, particularly around improved digital reporting, not expected to continue in FY27.
- The Education budget is predicted to decrease by 6.67% versus FY26 BR2 reflecting the savings associated with East Waste's education contractor transitioning to a permanent employee.
- Depot maintenance is forecasted to decrease by 17.85% as a result of elevated works and repairs completed at the depot in FY26, not expected to continue in FY27.

A number of other expense lines see a reduction or marginal increase in projected YOY expenditure in support of delivering a cost efficient FY27 Budget.

The full suite of proposed Budgeted Financial Statements are included within the Appendix of the draft Annual Plan provided at **Attachment A**.

**EastWaste**

# ANNUAL PLAN 2026/2027

## 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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## Executive Summary

The **2026/2027** financial year establishes an ambitious but focused chapter in East Waste's growth. With clear goals to improve key areas of; transparency, Member Council engagement and Operational Performance the East Waste team are excited to build strong relationships and create improved reporting mechanisms while continuing to drive safety initiatives and explore further education or growth opportunities.

Technology remains a key enabler for East Waste and successful, cost-effective development of technology solutions will be the critical to achieving targets relating to transparency and reporting. This directly supports the release of the Service Level Agreements and the work underway on improvements to the Cost Model. With both activities expected to be resolved and implemented in the coming financial year demonstrating the value add will be important.

With the change of leadership, a workforce review has also enabled further consideration of the existing delivery models and role and responsibility allocation. To this end East Waste will be looking to increase engagement with the many Local Government support arms to maximise staff efficiency and deliver improved value back to Member Councils, especially in the areas of safety and procurement

East Waste is committed to a successful year that will build closer ties to our Member Councils, significantly move forward our transparency and reporting, increase Member Council input and identify opportunities for cost reduction or performance improvement through directed projects, such as the maintenance review.

## 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 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 2026/2027 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

- |   |  |   |   |   |
|---|--|---|---|---|
| <p>1.1 Attract additional services and/or new councils where further economies of-scale can be achieved</p> <p>1.2 Offer a single contract for the management of the residual waste to all member councils</p> <p>1.3 Partner with other councils and organisations to achieve greater synergies and economies of scale in service delivery</p> <p>1.4 Investigate and implement collection technologies and innovation</p> <p>1.5 Provide a consistently high standard of Customer Service</p> | <p>2.1 Provide more service choice and flexibility to residents on kerbside services to support them to increase their recycling levels</p> <p>2.2 Provide a tailored 3-stream service to Multi-Unit Dwellings (MUDs) to support waste reduction and increased recycling</p> <p>2.3 Pilot a tailored service delivery model across a business precinct(s) to support waste reduction and increased recycling</p> | <p>3.1 Engage in research and projects delivering evidence-based data which increases behaviour change decision making</p> <p>3.2 Develop an integrated and tailored long-term community behaviour change and education program</p> <p>3.3 Identify and trial behaviour change programs aimed at reducing contamination</p> <p>3.4 Encourage and support councils to introduce an incentive(s) to households to reduce their landfill volumes</p> <p>3.5 Engage schools in behaviour change &amp; waste education</p> | <p>4.1 Support local reprocessing and procurement of recycled content products</p> <p>4.2 Encourage and support councils to procure and use recycled content products</p> <p>4.3 Support councils to implement sharing economy and reuse initiatives</p> <p>4.4 Investigate options to process and extract the highest value from collected resources</p> | <p>5.1 Implement best practice safety standards</p> <p>5.2 Advocate on behalf of our Member Councils</p> <p>5.3 Invest in our people</p> <p>5.4 Quality and transparent Corporate (Governance &amp; Financial) Activities</p> |
|---|--|---|---|---|

## KPIs

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



## 2026/2027 Focus

With the appointment of a new General Manager in mid-2025 East Waste has an opportunity to review existing processes, consider operational models and conduct an overview of delivery, ranging from workforce and customer relationships to the use of technology and reporting initiatives, building upon the work already undertaken and improvements achieved in the 2025-2026 period.

For 2026/2027, East Waste's key areas of focus include:

### 1. Enhancing Member Council Support

- Engaging in greater Council/East Waste collaboration with increased Member Council participation.
- Implementing improved transparency around operational delivery and costs through timely and accessible digital reporting
- Establishing a Service Level Agreement across all Member Councils to generate visibility and clarity of services offered by East Waste including target performance levels.
- Conducting cost reviews and implementing an improved Cost model, which supports improved transparency and East Waste's commitment to identifying cost reduction opportunities.

### 2. Strengthening Safety and Compliance

- Utilising digital reporting to ensure safety is at the forefront of leadership focus with consistent and reliable reporting on key safety areas.
- Tapping into existing support mechanisms and skills currently available within Local Government, such as procurement for greater governance support and cost efficiencies.
- Building strong ties to Local Government support arms, such as the LGRS to ensure Safety focused priorities align with Local Government
- Continuing to invest in modern fleet technology, to enhance driver and public safety.

### 3. Improving Service Delivery and Customer Satisfaction

- Continuing to refine customer service and complaint resolution processes to enhance community satisfaction, with a view to implementing greater technology automation.
- Establishing performance targets within the service level agreements to enhance customer satisfaction.
- Reviewing workforce roles and responsibilities to identify opportunities for service delivery improvements.

### 4. Driving Environmental and Circular Economy Outcomes

- Working with Council Members in the delivery and formation of Education programmes to achieve best outcomes.
- Expanding Food Organics and Garden Organics (FOGO) programs, building on the success of previous trials.
- Exploring existing data for opportunities to better inform Member Councils of environmental improvements, such as targeted street Education.
- Exploring new opportunities to reduce landfill dependency and improve resource recovery.

With a new leadership in place East Waste remains committed to delivering innovative, sustainable, and cost-effective waste management solutions. The 2026/2027 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.



## 2026/2027 Annual Plan Deliverables



NO.	ACTIVITY/PROJECT	OVERVIEW	OBJECTIVE	STRATEGY	MAIN KPI/TARGET	BUDGET
<b>DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES</b>						
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	\$0.010M
3.	Review Strategic Plan	Build upon Council engagement and Service Level Agreements to review the East Waste Strategic plan for alignment with Council Ambitions and East Waste delivery targets.	Overarching Strategy		Vision Target	\$0.005M
4.	Fleet Maintenance Review	Undertake a review of Fleet Maintenance processes and costs to identify potential efficiency and saving opportunities.	Deliver Cost Effective and efficient services and facilities	1.1	Vision Target	\$0.020M
5.	Review and improve digital systems for reporting and delivery	Identify first tranche of focus for reporting enhancement (Power BI) and systems requiring replacement or improvement. (Gestalt)	Deliver Cost Effective and efficient services and facilities	1.4	Vision Target	\$0.030M
6.	Workforce review	Review roles and responsibilities to identify and implement performance improvements within approved budget.	Deliver Cost Effective and efficient services and facilities	1.5	Vision Target	\$0.010M

## MAXIMISE SOURCE SEPARATION & RECYCLING

7.	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"> <li>• Demonstrable improvement in diversion rates</li> <li>• Support an effective and informative trial</li> </ul>	Charges allocated in alignment with cost
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### • PROVIDE LEADING AND INNOVATIVE BEHAVIOUR CHANGE AND EDUCATION

8.	Work with Councils to shape and enhance Education delivery.	Utilising internal resources and access to specialist Contractors, develop and deliver an Education program which supports Council objectives and improves resident behaviour with regard to waste diversion.	Provide leading and innovative behaviour change and education	3.2	• Vision Target	Recurrent + Service Initiative \$0.205M
9.	Continue to develop and share Carbon Reporting	Utilise carbon reporting to support Council environmental targets and factor into asset and operational changes considerations.	Provide leading and innovative behaviour change and education	3.1	• Vision Target	\$0.010M

## HELP DRIVE A LOCAL CIRCULAR ECONOMY

10.	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

11.	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
12.	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
13.	Culture Drive	Engage with team to drive positive culture and staff satisfaction. Conduct engagement surveys to measure progress and actively encourage staff openness and feedback. Create opportunities for advancement and recognition.	Provide Leadership	5.3	Vision Target	\$0.10M

## 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 built on detailed reporting is used 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).

### Key Budget Considerations for 2026/2027

- **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 2026/27. 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.

The budget to deliver this Annual Plan, along with all East Waste's Services and legislative requirements is detailed in the following proposed 2026/27 Financial Papers.

## Financial Statements

### EAST WASTE

Projected Statement of Comprehensive Income (Budgeted)  
for the financial year ending 30 June 2027

	FY26 Adopted Budget \$'000	FY26 BR2 \$'000	FY27 Proposed Budget \$'000
<b>Income</b>			
User Charges	28,531	28,661	29,652
Investment income	60	140	105
Grants, subsidies and contributions	-	-	-
Other	2,119	2,220	2,368
<b>Total</b>	<b>30,710</b>	<b>31,021</b>	<b>32,125</b>
<b>Expenses</b>			
Employee Costs	9,170	9,261	9,782
Materials, contracts & other expenses	17,833	18,176	18,348
Depreciation, amortisation & impairment	2,835	2,835	3,029
Finance costs	720	720	806
<b>Total</b>	<b>30,558</b>	<b>30,992</b>	<b>31,965</b>
<b>Operating Surplus / (Deficit)</b>	<b>152</b>	<b>29</b>	<b>160</b>
Asset disposals & fair value adjustments	30	30	30
<b>Net Surplus / (Deficit)</b>	<b>182</b>	<b>59</b>	<b>190</b>
Other Comprehensive Income	-	-	-
<b>Total Comprehensive Income</b>	<b>182</b>	<b>59</b>	<b>190</b>

**EAST WASTE**

Projected Balance Sheet (Budgeted)  
for the financial year ending 30 June 2027

	FY26	FY26	FY27
	Adopted Budget	BR2	Proposed Budget
	\$'000	\$'000	\$'000
<b>Assets</b>			
<b>Current</b>			
Cash & Cash Equivalents	2,700	2,306	2,943
Trade & Other Receivables	1,413	1,824	1,824
Inventory	63	38	38
<b>Total</b>	<b>4,176</b>	<b>4,168</b>	<b>4,805</b>
<b>Non-Current</b>			
Property, Plant & Equipment	13,973	13,911	14,514
<b>Total</b>	<b>13,973</b>	<b>13,911</b>	<b>14,514</b>
<b>Total Assets</b>	<b>18,149</b>	<b>18,079</b>	<b>19,319</b>
<b>Liabilities</b>			
<b>Current</b>			
Trade & Other Payables	1,588	1,578	1,607
Borrowings	2,285	2,285	2,285
Provisions	1,110	1,075	1,140
<b>Total</b>	<b>4,983</b>	<b>4,938</b>	<b>5,032</b>
<b>Non-Current</b>			
Borrowings	11,789	11,789	12,681
Provisions	169	125	190
<b>Total</b>	<b>11,958</b>	<b>11,914</b>	<b>12,871</b>
<b>Total Liabilities</b>	<b>16,941</b>	<b>16,852</b>	<b>17,902</b>

## EAST WASTE

Projected Statement of Cash Flows (Budgeted)  
for the financial year ending 30 June 2027

	FY26 Adopted Budget \$'000	FY26 BR2 \$'000	FY27 Proposed Budget \$'000
<b>Cash Flows from Operating Activities</b>			
<b>Receipts</b>			
Operating Receipts	30,650	30,881	32,020
Investment Receipts	60	140	105
<b>Payments</b>			
Employee costs	(9,050)	(9,141)	(9,653)
Materials, contracts & other expenses	(17,833)	(18,176)	(18,348)
Interest Payments	(697)	(697)	(777)
<b>Net Cash Flows from Operating Activities</b>	<b>3,130</b>	<b>3,007</b>	<b>3,347</b>
<b>Cash Flows from Investing Activities</b>			
<b>Receipts</b>			
Sale of Replaced Assets	30	30	30
<b>Payments</b>			
Expenditure on Renewal/Replaced Assets	(3,390)	(3,390)	(3,532)
Expenditure of New/Upgraded Assets	(135)	(135)	(100)
<b>Net Cash Flows from Investing Activities</b>	<b>(3,495)</b>	<b>(3,495)</b>	<b>(3,602)</b>
<b>Cash Flow from Financing Activities</b>			
<b>Receipts</b>			
Proceeds from Borrowings	3,390	3,390	3,507
<b>Payments</b>			
Repayment of Lease Liabilities	(168)	(168)	(185)
Repayment of Borrowings	(2,150)	(2,150)	(2,430)
<b>Net Cash Flow from Financing Activities</b>	<b>1,072</b>	<b>1,072</b>	<b>892</b>
<b>Net Increase (Decrease) in cash held</b>	<b>707</b>	<b>584</b>	<b>637</b>
<b>Cash &amp; cash equivalents at beginning of period</b>	<b>1,993</b>	<b>1,722</b>	<b>2,306</b>
<b>Cash &amp; cash equivalents at end of period</b>	<b>2,700</b>	<b>2,306</b>	<b>2,943</b>

## EAST WASTE

Projected Statement of Changes in Equity (Budgeted)  
for the financial year ending 30 June 2027

	FY26	FY26	FY27
	Adopted Budget	BR2	Proposed Budget
	\$'000	\$'000	\$'000
Balance at Start of Period - 1 July	1,026	1,168	1,227
Net Surplus / (Deficit) for Year	182	59	190
Contributed Equity	-	-	-
Distribution to Councils	-	-	-
Balance at End of Period - 30 June	<u>1,208</u>	<u>1,227</u>	<u>1,417</u>

DRAFT

**EAST WASTE**  
**Summary Budget Movement Worksheet**  
for the Financial Year Ending 30 June 2027

Operating Activities	FY2026 Adopted Budget	FY2026 BR2 Proposed Budget	FY2027 Proposed Budget	Adopted LTFP - FY2027	Movement: FY27 Proposed Budget v FY26 BR2	Movement: FY27 Proposed Budget v LTFP FY27	Movement: FY27 Proposed Budget v FY26 BR2	Movement: FY27 Budget v LTFP FY27	Comments
	\$	\$	\$	\$	\$	\$	%	%	
<b>Income</b>									
Administration Fee	297,682	297,682	307,506	309,603	9,824	(2,097)	3.30%	-0.68%	Increased in line with CPI.
Common Fleet Costing	18,348,419	18,348,419	19,196,496	19,394,342	848,077	(197,846)	4.62%	-1.02%	4.62% increase proposed YOY versus original adopted Budget.
Processing Income	9,884,524	9,884,523	9,942,802	6,212,227	58,279	3,730,575	0.59%	60.05%	Marginal increase primarily attributed to elevated rates paid for organics processing in BR2, with new contract in place for FY27.
Bin Services & Maintenance	2,102,500	2,210,000	2,360,475	1,645,560	150,475	714,915	6.81%	43.45%	increase aligned to recent trends in issue of bin permits, bin repairs and Council purchases under East Waste led contracts.
Profit / (Loss) from Disposal	30,000	30,000	30,000	70,000	0	(40,000)	0.00%	-57.14%	Assumptions consistent with FY26.
Project Income		130,000	205,000	-	75,000	205,000	57.69%	0.00%	New account to record income associated with FOGO trials. \$205K predicted in FY27 based on known trials.
Grant Income	-	-	-	-	-	-		0.00%	
Other Income	76,000	150,000	112,500	121,638	(37,500)	(9,138)	-25.00%	-7.51%	Decrease primarily attributed to reduced interest income forecasted in FY27.
<b>Total</b>	<b>30,739,124</b>	<b>31,050,624</b>	<b>32,154,778</b>	<b>27,753,370</b>	<b>1,104,154</b>	<b>4,401,408</b>	<b>3.56%</b>	<b>15.86%</b>	
<b>Expenses</b>									
Processing Expenses	9,884,524	9,884,524	9,942,802	6,212,227	58,278	3,730,575	0.59%	60.05%	Refer to corresponding income line.
Bin Service & Maintenance Expenses	2,102,500	2,213,500	2,360,475	1,645,560	146,975	714,915	6.64%	43.45%	Refer to corresponding income line.
Employee Costs	9,169,978	9,261,473	9,782,208	9,614,389	520,735	167,819	5.62%	1.75%	Increase attributed to CPI, and additional FTE. Refer to detail in budget cover report for further context.
Fleet Maintenance	2,015,481	2,359,740	2,315,692	2,087,740	44,048	227,952	-1.87%	10.92%	Marginal decrease forecasted with elevated maintenance costs in FY26 expected to stabilise.
Depreciation	2,834,881	2,834,881	3,029,014	2,945,009	194,133	84,005	6.85%	2.85%	Increase attributed to capital replacement timing and expenditure.
Interest	720,000	720,000	806,000	837,699	86,000	(31,699)	11.94%	-3.78%	Interest calculation includes new loan forecasted for FY27 fleet replacement.
Fuel	2,053,487	1,888,487	1,929,481	2,637,180	40,994	(707,699)	2.17%	-26.84%	Marginal increase forecasted attributed to a lower budgeted average \$/litre versus FY26 BR2.
Other Expenses	1,776,605	1,829,489	1,799,043	1,581,543	(30,446)	217,500	-1.66%	13.75%	Summary of key expense movements provided in Budget cover report.
<b>Total</b>	<b>30,557,456</b>	<b>30,992,094</b>	<b>31,964,714</b>	<b>27,561,347</b>	<b>972,620</b>	<b>4,403,367</b>	<b>3.14%</b>	<b>15.98%</b>	
<b>Net Surplus</b>	<b>181,668</b>	<b>58,530</b>	<b>190,064</b>	<b>192,023</b>	<b>131,534</b>	<b>(1,959)</b>			
<b>Non Operating Activities</b>									
<b>Income</b>									
Proceeds from Sale of Assets	30,000	30,000	30,000	70,000	0	(40,000)	0.00%	-57.14%	Assumptions in line with FY26, with approximately \$5K per vehicle expected at auction.
Proceeds from Borrowings	3,390,000	3,390,000	3,507,449	3,743,181	117,449	(235,732)	3.46%	-6.30%	Reflects borrowing 100% of total fleet replacement.
<b>Total</b>	<b>3,420,000</b>	<b>3,420,000</b>	<b>3,537,449</b>	<b>3,813,181</b>	<b>117,449</b>	<b>(275,732)</b>	<b>2911.91%</b>	<b>-7.23%</b>	
<b>Expenses</b>									
Fleet Replacement Costs	3,389,784	3,389,784	3,507,449	3,743,181	117,665	(235,732)	3.47%	-6.30%	Replacement of 6 x RACVs, in line with assumptions in Fleet Asset Management Plan.
Other Plant & Equipment Replacement	135,000	135,000	125,000	140,000	(10,000)	(15,000)	-7.41%	-10.71%	Consistent with recent years expenditure, allowance for Executive fleet vehicle replacement included.
Repayment of Borrowings - LGFA	2,150,000	2,150,000	2,430,060	2,625,000	280,060	(194,940)	13.03%	-7.43%	Updated for proposed LGFA Loan to be drawn down in FY27.
Repayment of Borrowings - Leases	168,000	168,000	185,000	165,000	17,000	20,000	10.12%	12.12%	Reflects lease Renewal and updated lease repayment schedule.
<b>Total</b>	<b>5,842,784</b>	<b>5,842,784</b>	<b>6,247,509</b>	<b>6,673,181</b>	<b>404,725</b>	<b>(425,672)</b>	<b>6.93%</b>	<b>-6.38%</b>	
<b>Net Non-Operating Activities Result</b>	<b>(2,422,784)</b>	<b>(2,422,784)</b>	<b>(2,710,060)</b>	<b>(2,860,000)</b>	<b>(287,276)</b>	<b>149,940</b>			

## 9.3 Strategic Risk Register Review

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**Report Author** Manager Business Services

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**Attachments**

B: Strategic Risk Register

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### Purpose and Context

The purpose of this report is to provide the Audit & Risk Management Committee (the Committee) with the recently reviewed East Waste Strategic Risk Register and to seek the Committee's feedback.

#### Recommendation

That the Audit & Risk Management Committee having considered the updated Strategic Risk Register (**Attachment B, Item 9.4, Audit & Risk Management Committee Meeting 18 February 2026**) notes the updates and recommends the revised Strategic Risk Register for presentation to the East Waste Board.

### Strategic Link

**Objective 5.** Provide Leadership

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

### Background

East Waste maintains a Strategic Risk Register (the Register) to identify, assess, and manage risks that could impact the achievement of its strategic objectives, noting that East Waste administration is intending to review and update the strategic objectives.

The Register is reviewed annually, or as required in response to any significant change that alters an existing risk or presents a new Strategic Risk.

The previous formal review of the Strategic Risk Register was conducted in 2025 and identified eleven Strategic Risks. Administration has now completed the 2026 review, led by the Executive Management Team in consultation with key staff and relevant stakeholders.

## Discussion

As a result of the recent review a new Strategic Risk has been identified and incorporated into the Register relating to reliance on key suppliers and commercial arrangements:

*Overreliance on key suppliers, contractors or commercial arrangements may expose East Waste to service disruption, cost escalation, reduced bargaining power and financial risk if arrangements fail or become unviable.*

This risk recognises the increasing concentration of service delivery arrangements and broader market pressures impacting procurement, contract performance, and financial sustainability.

In addition to a new Risk being identified, Risk ratings were reviewed and adjusted where appropriate following reassessment of likelihood and consequence, reflecting both improved controls in some areas and increased exposure in others.

Several risks were reworded to improve clarity and ensure consistency in articulation of causes, impacts, and strategic consequences.

Existing controls were reviewed to confirm relevance and effectiveness. Where necessary, controls were clarified or strengthened to better reflect current practices and governance oversight.

The updated Strategic Risk Register now reflects twelve Strategic Risks and provides improved visibility of:

- Risk ownership and accountability
- Control effectiveness
- Residual risk exposure
- Planned mitigation actions

The Register will continue to be monitored by Administration and presented annually to the Audit & Risk Management Committee for review and comment

For the Committee's reference, a Strategic Risk Summary Report has been presented with this report (**refer Attachment A**). For additional information, the Committee may wish to review the complete Strategic Risk Register, which has also been provided (**refer Attachment B**).

## ITEM 9.3 - ATTACHMENT A

Risk ID	Risk Description	Inherent Risk Rating	Overall Controls Rating	Current/Residual Risk Rating	Forecast Risk Rating	Further treatment required (if current/residual risk rating is not acceptable)	Number of overdue actions	Reason for overdue actions	Comments
SR1	Poor, ineffective or outdated strategic planning and implementation, leading to inconsistencies with Member Council's strategic directions, poor investment decisions and inappropriate usage of resources (both financial and physical resourcing)	High	Effective	Low	Low	East Waste CEO's / Mayors /Board Member Meeting planned Improved reporting and KPI monitoring currently being implemented	0	0	0
SR2	Lack of effective governance and decision making process may result in not meeting community/ Member Council expectations, adversely impacting East Waste's finances and damage to reputation.	High	Effective	Medium	Low	Additional Training for Executive Staff on Charter Ongoing relationship building and direct engagement with Council CEO's and Mayors Increased transparency through additional Power Bi reporting	0	0	0
SR3	Significant and evolving legislative and ESG (Environmental, Social and Governance) compliance obligations, particularly in relation to environmental regulation and reporting, may result in inadvertent breaches of key requirements. This could lead to legal costs, regulatory penalties, reputational damage, and reduced community confidence in East Waste's transparency, accountability, environmental stewardship, and long-term financial sustainability.	High	Effective	Medium	Medium	Executive staff representation at WMMR meetings General Manager continuing to build networks in the waste industry.	0	0	0
SR4	East Waste's inability to adapt to changing community expectations, industry trends, technology and innovation may result in inefficient operations, declining service relevance, missed strategic opportunities and reduced Member Council confidence.	High	Effective	Low	Low	Review of resourcing requirements Review of organisational structure to identify any key gaps Ongoing relationship building and direct engagement with Council CEO's and Mayors Increased transparency through additional Power Bi reporting	0	0	0
SR5	Inefficient or inappropriate budget allocation may impact the delivery of key services and financial sustainability of the Authority	High	Effective	Low	Low	Review of East Waste financial Model Cost Model Workshops conducted with key stakeholders	0	0	0
SR6	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	Effective	Medium	Low	1. Develop and promote organisational values 2. Performance review process -to be conducted in a Timely Manner 3. Review update PDs to ensure they reflect current roles and have adequate information	0	0	0

Risk ID	Risk Description	Inherent Risk Rating	Overall Controls Rating	Current/Residual Risk Rating	Forecast Risk Rating	Further treatment required (if current/residual risk rating is not acceptable)	Number of overdue actions	Reason for overdue actions	Comments
SR7	A significant unplanned/emergency/adverse event may prevent East Waste from delivering key services/functions (e.g. fire, natural disaster, pandemic)	Extreme	Effective	Medium	Medium	1. Investigating opportunities for the minimising the risk of fire spreading between truck and other assets 2. Development of SLA's with member Councils to incorporate Natural Disasters	0	Change in leadership has impacted on priorities and key focus areas.	Councils are currently undertaking a final review of the draft SLA's
SR8	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	Effective	Medium	Low	Additional Training on the WHS Systems (Focusing on Incident Reporting) Develop and implement additional WHS reporting and tracking through ELT & ESG.	0	0	WHS Key principle training has been developed for staff and implementation is underway.
SR9	Member Council exits from East Waste due to having stronger relationships with other similar organisations, leading to both reputational and financial damage. or Weakened relationship with key stakeholders within Member Councils may lead to Member Council exiting East Waste, impacting East Waste's financial sustainability.	High	Effective	Medium	Medium	Annual Plan development consultation with member councils Focus on relationship building and transparency with key stakeholders.	0	0	Recent feedback from member councils has been that they would like to have some more input into East Waste's Annual plan.
SR10	Existing Assets fail to meet the minimum requirements for current operating needs and future growth.	Extreme	Effective	Medium	Medium		0	0	0
SR11	A cyber security incident such as a ransomware attack, system infiltration, or malicious activity—could compromise East Waste's digital systems, restrict access to operational records, and disrupt the delivery of services to Constituent Councils and their residents.	Extreme	Effective	Medium	Medium	Additional Cyber Security Training	0	Quotes have been received and are being considered for FY27.	0
SR12	Over-reliance on key suppliers, contractors or commercial arrangements may expose East Waste to service disruption, cost escalation, reduced bargaining power and financial risk if arrangements fail or become unviable.	Extreme	Effective	High	Medium	Consider diversification of service delivery models Enhance Board visibility of supplier risk Build on relationship in LGA P	0	0	0

Risk Register																							
Date of risk identification	Risk ID	Strategic Plan Reference	Risk Type	Risk Category	Risk Description	Consequence Type(s)	Risk Owner	Causes	Inherent Risk			Controls			Current/ Residual Risk			Forecast Risk			Additional controls		
									Consequence	Likelihood	Inherent Risk Rating	Description	Overall Controls Rating	Consequence	Likelihood	Current Risk Rating	Consequence	Likelihood	Forecast Risk Rating	Further treatment required (if current/ residual risk rating is not acceptable)	Number of overdue actions	Reason for overdue actions	Comments
13-Jul-23	SR1	All Objectives (specifically objective 5)	Strategic	Governance, Legal & Compliance	Poor, ineffective or outdated strategic planning and implementation, leading to inconsistencies with Member Council's strategic directions, poor investment decisions and inappropriate use of resources (both financial and physical resourcing)	Financial/ Infrastructure/ Regulatory/ Policy/ Environmental/ Cultural/ Site/ Reputation	General Manager	1. Lack of consultation and engagement with Member Councils 2. Lack of understanding of the strategic planning process 3. Lack of an effective/ coordinated framework to deliver on the various strategic/ operational plans and legislative reporting requirements - as well as delivering demonstrable customer outcomes 4. Resistance to change at staff and community level - and an understanding across the community and Board Members (and within EW staff) of the reasons for change 5. Challenges in understanding of 'discretionary' vs 'mandatory' requirements of East Waste (both external and internal) 6. Elections (State and Local) can affect implementation: Risk of political disruption to admin & operations 7. Ill defined/ lack of Service Levels (external service delivery as well as internal activities) 8. Lack of ownership, 'buy-in' and understanding of strategic and business plans 9. Lack of coordinated data/research/evidence to support decision making and determining specific strategies 10. Chasing the 'shiny new' opportunity and diverting from approved strategy	Major	Unlikely	High	1. Induction/ briefings/ training to ensure that Management and Board have strong understanding and knowledge of LG Act 1999, LG Financial Regulations and East Waste Charter 2. 10 Strategic Plan plan in place and reviewed as stipulated 3. Strong working relationship between East Waste Management and Board/ Committees 4. System of reporting to member councils 5. Budget linked to strategic and business plans	Effective	Minor	Unlikely	Low	Minor	Unlikely	Low	East Waste CEO's / Mayors / Board Member Meeting planned Improved reporting and KPI monitoring currently being implemented	0	0	0
13-Jul-23	SR2	Objective 5 (specifically 5.4)	Strategic	Governance, Legal & Compliance	Lack of effective governance and decision making process may result in not meeting community/ Member Council expectations, adversely impacting East Waste's finances and damage to reputation.	Financial/ Infrastructure/ Regulatory/ Policy/ Environmental/ Cultural/ Site/ Reputation	General Manager	1. Lack of understanding/ knowledge skills (Employees and Board level); 2. Lack of training; 3. Poor culture; 4. Lack of business strategy; 5. Organisational structure doesn't match business strategy; 6. Lack of performance review; 7. Lack of resourcing review; 8. Lack of risk reporting; 9. Lack of governance framework;	Moderate	Very likely	High	1. Reporting structure, risk reporting and action framework adopted by Board 2. Board monitors risk management framework and reporting structure 3. Restriction of \$ amount of variance to budget without Member Council consent 4. Management and Board have full working understanding of Charter requirements, policy/ procedure requirements 5. Robust recruitment process to ensure management have required experience 6. Annual reporting requirements 7. Delegations documented & reviewed frequently 8. Annual Executive Officer Performance reviews 9. Suite of policy/ procedure which are reviewed/ updated as per schedule	Effective	Minor	Possible	Medium	Minor	Unlikely	Low	Additional Training for Executive Staff on Charter Ongoing relationship building and direct engagement with Council CEO's and Mayors Increased transparency through additional Power BI reporting	#VALUE!	0	0
13-Jul-23	SR3	Objective 5 (specifically 5.4)	Strategic	Governance, Legal & Compliance	Significant and evolving legislative and ESG (Environmental, Social and Governance) compliance obligations, particularly in relation to environmental regulation and reporting, may result in inadvertent breaches of key requirements. This could lead to legal costs, regulatory penalties, reputational damage, and reduced community confidence in East Waste's transparency, accountability, environmental stewardship, and long-term financial sustainability.	Financial/ Infrastructure/ Regulatory/ Policy/ Environmental/ Cultural/ Site/ Reputation	General Manager	1. Inadequate oversight of compliance required in key functions; 2. Lack of resources; 3. The rate of legislative change; 4. Lack of understanding/ awareness of key legislative obligations; 5. Lack of documented processes/ documentation not reflecting legislation; 6. Lack of appropriate auditing; 7. The breadth & complexity of legislation;	Moderate	Very likely	High	1. Current Policies & Procedures in place which capture legislative obligations 2. External & internal auditors audit in line with audit plan, with gaps identified and recommendations actioned within allocated timeframes 3. Updates received from LGA, WMRR, NVHR, ACOR & EPA which are forwarded to appropriate person and actioned (including keeping abreast of advancing technologies) 3. Budget review process in place which considers upcoming change 4. Annual business plans linked to budget 5. Resource commitment by Board and Management to understanding and updating knowledge of changing trends in industry 6. Ability and commitment by Board to changing operations to cope with technological changes	Effective	Moderate	Unlikely	Medium	Moderate	Unlikely	Medium	Executive staff representation at WMRR meetings General Manager continuing to build networks in the waste industry.	0	0	0
13-Jul-23	SR4	Objective 1; Objectives 3	Strategic	Service Delivery	East Waste's inability to adapt to changing community expectations, industry trends, technology and innovation may result in inefficient operations, declining service relevance, missed strategic opportunities and reduced Board Member Council confidence.	Legal/ Regulatory/ Policy/ Financial/ Infrastructure/ Service Delivery	General Manager	1. Significant change on an ongoing basis results in change fatigue; 2. A lack of alignment of the strategic and business planning processes; 3. A lack of translation of strategic plans throughout the organisation (line of sight); 4. Availability/ loss/ lack of resources (human and financial) to successfully implement any change program; 5. Variability in change management skills - impacts success of organisational change; 6. Lack of/ inadequate oversight to recognise that change is required; 7. Dramatic technological change that influences the waste collection industry;	Minor	Very likely	High	1. Current Policies & Procedures in place which capture legislative obligations (resulting in changes required) 2. Updates received from LGA, WMRR, NVHR, ACOR & EPA which are forwarded to appropriate person and actioned (including keeping abreast of advancing technologies) 3. Budget review process in place which considers upcoming change 4. Annual business plans linked to budget 5. Resource commitment by Board and Management to understanding and updating knowledge of changing trends in industry 6. Ability and commitment by Board to changing operations to cope with technological changes	Effective	Minor	Unlikely	Low	Minor	Unlikely	Low	Review of resourcing requirements Review of organisational structure to identify any key gaps Ongoing relationship building and direct engagement with Council CEO's and Mayors Increased transparency through additional Power BI reporting	0	0	0
13-Jul-23	SR5	Objective 1	Strategic	Financial	Inefficient or inappropriate budget allocation may impact the delivery of key services and financial sustainability of the Authority	Financial/ Infrastructure/ Service Delivery/ Reputation	General Manager	1. Not recognizing or responding to global/national/regional downturn; 2. Inability to increase revenue - loss of member council contract etc.; 3. Breach/ lack of adherence/ inadequate financial controls and budgeting; 4. Unrealistic strategic/ asset plans - not aligned to long term financial plan; 5. Lack of skills/ knowledge/ experience staff and/ or board members; 6. Not managing relationships with key contacts within member councils (loss of contract/member);	Moderate	Possible	High	1. Long term financial plan aligned with strategic direction 2. Planning of asset replacement 3. Robust financial reporting framework (legislation, policies - Treasury Management & Procurement, controls etc.) 4. Management and Board have full working understanding of budgeting/ financial requirements. 5. Robust recruitment process to ensure management have required experience 6. Comprehensive and timely reporting of finances to Board and Audit & Risk Committee frequency 7. Annual Catch up with Member Council's CEO's and Mayors prior to budget setting	Effective	Minor	Unlikely	Low	Minor	Unlikely	Low	Review of East Waste financial Model Cost Model Workshops conducted with key stakeholders	0	0	0
13-Jul-23	SR6	Objective 5 (specifically 5.3)	Strategic	People & Culture (incl. WHS)	East Waste are unable to attract and retain sufficient appropriately skilled staff and Board Members to effectively deliver the breadth of services required in a timely manner.	People Service Delivery Reputation Financial/ Infrastructure/ Legal/ Regulatory/ Policy/ Environmental/ Cultural/ Site/ Disturbance	General Manager	1. Financial - not keeping up with wages/ not competitive in current market; 2. Workplace culture and reputation; 3. No having competitive employee benefits/ incentives; 4. Lack of skilled resource pool; 5. Not having flexible recruitment strategies; 6. No succession planning/ workforce in place; 7. Council elections - change to board members; 8. Limited control/ influence over Board appointments; 9. Contract positions may not supply ongoing employment security; 10. Current employment climate makes it difficult to attract/ retain staff; 11. HR issues being managed reactively, not proactively; 12. Limited ability for career progression	Significant	Certain to occur	Extreme	1. Develop and promote organisational values 2. Performance review process to be conducted in a timely manner 3. Review update P&PD's to ensure they reflect current roles and have adequate information.	Effective	Minor	Possible	Medium	Minor	Unlikely	Low	#REF!	0	0	0
13-Jul-23	SR7	All Objectives (specifically objective 5)	Strategic	Service Delivery	A significant unplanned/emergency/adverse event may prevent East Waste from delivering key services/functions (e.g. fire, natural disaster, pandemic)	Financial/ Infrastructure/ Service Delivery Reputation Legal/ Regulatory/ Policy/ Environmental/ Cultural/ Site/ Disturbance	General Manager	1. Pandemic; 2. Fire - losing assets (trucks/ building etc.); 3. No BCP in place; 4. Lack of BCP testing and training; 5. Driver strike; 6. No workplace emergency management plan in place; 7. Bushfire (which affects people's ability to come to work); 8. Lack of staff who have experienced significant BCP/ emergency events; 9. Staff responsibilities in the case of an incident are not defined; 10. Staff are not trained appropriately in the case of an incident;	Significant	Unlikely	Extreme	1. Current BCP in place, tested annually 2. Current workplace EM Plan tested 3. Current WEEPs in place 4. EBA with mediation framework contained within (untested at this stage) 5. Battery isolators on the trucks, trucks are empty each night 6. Security patrols in place on a daily basis (for early pick up of issues) 7. Staff training requirement captured in TNA and training delivered in line with the training plan 8. Staff P&PD's include responsibilities appropriate to their role - reviewed and kept current 9. Arrangements in place in EW and with member councils for changes in activity due to natural disasters	Effective	Moderate	Rare	Medium	Moderate	Rare	Medium	1. Investigating opportunities for the minimising the risk of fire spreading between truck and other assets 2. Development of SLA's with member Councils to incorporate Natural Disasters	2	Change in leadership has impacted on priorities and key focus areas.	Councils are currently undertaking a final review of the draft SLA's
13-Jul-23	SR8	Objective 5 (specifically 5.1)	Strategic	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.	People/ Financial/ Infrastructure/ Reputation Legal/ Regulatory/ Policy/ Service Delivery	General Manager	1. Lack of WHS systems in place; 2. Lack of staffing/resources to implement systems (people and financial); 3. Lack of training; 4. Cultural opposition to implementation of WHS systems; 5. Increasing urban infill creating access issues for larger fleet; 6. Significant Depot Truck fire; 7. Drug and alcohol issues; 8. Lack of fleet & Asset maintenance/repairs;	Significant	Possible	Extreme	1. Implementation of robust WHS Management System 2. TNA and training systems in place, including driver training 3. Budget allocations to WHS, including staff resourcing 4. Robust drug & alcohol testing process in place 5. Staff have appropriate, current licenses which are checked frequently for currency & conditions 6. Staff medical assessment & monitoring program (check for fitness for work) 7. Fleet Maintenance Schedule (programmed Maintenance) 8. Asset Inspection Program	Effective	Moderate	Unlikely	Medium	Minor	Rare	Low	Additional Training on the WHS Systems (Focusing on Incident Reporting) Develop and implement additional WHS reporting and tracking through ELT & ESG.	1	0	WHS Key principle training has been developed for staff and implementation is underway.
13-Jul-23	SR9	Objective 5 (specifically 5.2)	Strategic	People & Culture (incl. WHS)	Member Council exits from East Waste due to having stronger relationships with other organisations, leading to both reputational and financial damage. Weakened relationship with key stakeholders within Member Councils may lead to Member Council exiting East Waste, impacting East Waste's financial sustainability.	Reputation Financial/ Infrastructure/ Service Delivery	General Manager	1. Member Council contact coming into Council with their own relationships with other provider and having influence over Council to change provider and exit East Waste; 2. Member Council contacts not understanding the value of, and the relationship with East Waste; 3. Lack of stakeholder engagement framework;	Moderate	Very likely	High	Strategic/ Annual Plans in place which help to promote EW value Annual Strategy Day with All Member Councils. Annual/ Financial Reporting back to Councils. Multiple Contact Points with Member Councils Quarterly Statistical Report	Effective	Moderate	Rare	Medium	Moderate	Rare	Medium	Annual Plan development consultation with member councils Focus on relationship building and transparency with key stakeholders.	0	0	Recent feedback from member councils has been that they would like to have some more input into East Waste's Annual plan.
1-Dec-24	SR10	Objective 1 (specifically 1.5)	Strategic	Assets & Infrastructure	Existing Assets fail to meet the minimum requirements for current operating needs and future growth.	Financial/ Infrastructure/ Reputation Environmental/ Cultural/ Site/ Disturbance	General Manager	1. Aging Infrastructure 2. Lack of Preventative Maintenance 3. Inaccurate Forecasting 4. Repaid change in Services or Demand for Services 5. Long Lead times for new/replacement assets.	Significant	Certain to occur	Extreme	Asset Management Plan Maintenance Contract(s) Appropriately trained/skilled staff undertaking maintenance of fleet vehicles	Effective	Moderate	Unlikely	Medium	Moderate	Unlikely	Medium	0	0	0	
1-Apr-25	SR11	Objective 1 (specifically 1.5)	Strategic	Information Technology	A cyber security incident such as a ransomware attack, system infiltration, or malicious activity—could compromise East Waste's digital systems, restrict access to operational records, and disrupt the delivery of services to Constituent Councils and their residents.	Service Delivery Financial/ Infrastructure/ Reputation Legal/ Regulatory/ Policy	Manager Business Services	1. Phishing or social engineering attacks 2. Outdated or vulnerable software/hardware 3. Inadequate data security protocols 4. Human error or insufficient staff training	Major	Very likely	Extreme	Firewalls & Antivirus Software Secure cloud based storage Offsite back ups Multi Factor Authentication for key systems Cyber Security training for staff External ICT support. Penetration testing	Effective	Moderate	Unlikely	Medium	Moderate	Unlikely	Medium	Additional Cyber Security Training	1	Quotes have been received and are being considered for FY27.	0
2-Feb-26	SR12	Objective one	Strategic	Financial	Over-reliance on key suppliers, contractors or commercial arrangements may expose East Waste to service disruption, cost escalation, reduced bargaining power and financial risk if arrangements fail or become unviable.	Service Delivery Reputation Legal/ Regulatory/ Policy Financial/ Infrastructure	Manager Business Services	market, particularly for specialised services (e.g. processing, fleet, technology or fuel), reducing competition and choice. 2. Concentration of critical services with a small number of providers, resulting in single points of failure for service delivery. 3. Market volatility and external cost pressures (e.g. fuel, labor, processing capacity, regulatory change) impacting supplier viability and pricing structures. 4. Insufficient contingency planning or alternative supply options for essential services in the event of contractor failure, withdrawal or underperformance.	Major	Possible	Extreme	Formal documented procurement and tendering processes. Board and Committee oversight Periodic review of key supplier and contractor performance Use of independent advice (where appropriate) Financial monitoring and budgeting controls Business continuity and contingency planning Relationship management with key suppliers and industry stakeholders	Effective	Moderate	Possible	High	Moderate	Unlikely	Medium	Consider diversification of service delivery models Enhance Board visibility of supplier risk Build on relationship in LGA P	0	0	0

## 9.4 Internal Audit Result: Payroll (Secondary Review)

**Report Author** Manager Human Resources & Financial Services

**Attachments** UHY Haines Norton Internal Audit Report - Payroll

### Purpose and Context

To re-present to the Audit & Risk Management Committee (the Committee) the results of the recent payroll audit undertaken by East Waste’s appointed internal auditor’s UHY Haines Norton, as suggested by the East Waste Board at the November 2025 East Waste Board Meeting.

### Recommendation

*That the Audit & Risk Management Committee receives and notes the Payroll Internal Audit Report prepared by UHY Haines Norton, as presented in Attachment A - ‘UHY Haines Norton Internal Audit Report’ (Item 9.4, Audit & Risk Management Committee Meeting, 18 February 2026).*

### Background

East Waste’s first internal audit cycle commenced 1 July 2025, with the Payroll Audit undertaken in September 2025, and the results presented by UHY Haines Norton to the November Audit & Risk Management Committee meeting. While the Committee expressed satisfaction with the result, the East Waste board expressed an interest in East Waste’s level of comfort where payroll risks remain as ‘Medium,’ particularly where no recommendations were made. While the Board was comfortable to note the report, it was suggested, at the discretion of Administration, that it be re-presented to the Audit & Risk Management Committee for further discussion and comment.

### Discussion

Following the discussion at the Board Meeting, Administration has initiated further discussions with Representatives from UHY Haines Norton relating to the results of the recent Payroll Audit. The Internal Audit Report is presented at Attachment (**refer Attachment A**) with no changes made since the Committee’s review in November.

UHY Haines Norton acknowledges that the East Waste is yet to formally determine its risk tolerance, and until the relevant decisions are made by the East Waste Board, a risk tolerance of low to medium has been assumed to drive the recommendations of internal audits.

Where risks were deemed as low or medium, and no recommendations to Administration were made, it reflects UHY Haines Norton’s comfort that the current internal controls in place at East Waste to mitigate the risk to an acceptable level, are sufficient. Where gaps in controls were noted, recommendations were made against appropriate risks to ensure risks do not exceed a low to medium risk rating.

As recommendations are implemented by East Waste, risk ratings will be subject to change, following further review by UHY Haines Norton. An internal Audit tracking schedule is maintained and presented at a future item (**Item 9.5**) which provides further context.

Administration is seeking feedback from the Committee relating to the level of comfort with the results, as well as the format of results presented by UHY Haines Norton, in readiness for future internal audits.



# Internal Audit Report – Payroll

## East Waste

October 2025

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# Executive Summary

## Background

East Waste is the trading name of the Eastern Waste Management Authority.

The Authority is a regional subsidiary of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Norwood Payneham & St Peters, City of Mitcham, City of Prospect, the Corporation of the Town of Walkerville and the City of Unley. established pursuant to Section 43 of the Local Government Act 1999. These eight Councils are referred to as Member or Constituent Councils of the Authority.

The Authority’s primary purpose is to provide effective waste collection services for its Member Councils. The exact nature of the waste collection services is determined independently by each Council to meet the needs of their respective communities.

East Waste’s Mission Statement:

**‘East Waste collects waste, green organics, recyclables and hard rubbish from member councils and is committed to helping them improve their recycling and waste avoidance practices. Our services may be different across each council area, but our approach is the same – high quality, low cost waste and resource recovery.’**

Diagram 1 – East Waste – service summary



Data Source: East Waste website

In order to deliver on this mission statement, it is essential to operate efficiently, implementing effective processes within a robust internal control environment.

This payroll audit provides a review of the processes currently in place, as well as the overall management of the payroll function, including related pay awards and agreements, documentation, and internal controls.

## Internal Audit Methodology – Understanding of Processes

During the undertaking of this audit, many good practices were observed, and a strong corporate culture of process and procedure was evident.

Discussions were held with relevant staff to gain an understanding of how the processes were operating, whether business needs were being met, and what areas within the internal audit scope, if any, would require a more in-depth, specific review.

The following staff members contributed during this time:

- Manager HR & Financial Services
- Payroll Officer

Access to policy documentation and transactional data was facilitated at the site offices at Temple Court, Ottoway, on the northern side of Adelaide, allowing for a greater contextual understanding of how business processes are managed and how work areas interact.

## The Objective and Scope of this Engagement

The objective of this internal audit was to conduct the required testing, investigation, and review of the payroll function to ensure its appropriate and accurate processing. The full audit scope is attached. (see Appendix A).

The scope of this internal audit is to:

- Include assessment against Enterprise Agreement, Awards, Employment Contracts, National Employment Standards (NES) and Internal Policies as relevant.
- Confirmation of accurate calculation and appropriate implementation across the 2024/25 payroll function.
- Review to ensure completeness of implementation for all related pay agreements, awards, contracts, standards and policies.
- Review of regulated allowances.
- Review and testing of system parameters - to include rates, allowances & superannuation.
- Reconcile to relevant organisational policy documentation.
- Review of consistency of work and payrate comparisons for similar positions across the organisational structure.
- Check the interpretation and calculation of specific payments were undertaken correctly eg: termination payments/ad hoc payments/ back pay / leave cash out payments.
- Check that payments to all deduction agencies are completed in a timely and accurate manner eg; superannuation/child support etc.
- Review of employment contract details with specific focus on contractor/employee status and superannuation arrangements

- Review payroll system reconciliations for accuracy and timeliness.
- Review any recommendations out of the Leave Balances audit and any other related audits.
- Additional items as may become apparent during testing.

This is an assurance audit, assessing and evaluating compliance, adequacy and accuracy of related controls and processes.

This audit found the processes to be well embedded, widely understood, timely and effective.

## Summary of Testing

To provide insight into East Waste business operations, a review was undertaken of each fortnightly payroll run, representative sample testing was undertaken on payroll data in order to cover all elements of the audit scope. This was linked back to supporting source documentation for the period July 2024 through to June 2025, with a focus on the following:

2024/25

26 x payroll  
pay runs tested



\$216,661

value of average  
payroll run



Pay  
Agreements  
checked:



- Contracted
- SAMSOA
- LGE
- EBA

- **Agreements, awards, contracts, standards and policies**
- **System parameters; rates, allowances and superannuation**
- **Consistency of work to payrate across the organisation**
- **Contractor vs employee**
- **ARC member superannuation**

- The scope for this payroll audit is provided in full (see Appendix A) and all items have been fully investigated and referenced in this report.
- The time recording and payroll processes were found to incorporate satisfactory internal controls, segregation of roles and accurate record keeping.
- Supporting documentation was found to be in place for all payroll variations including additional acting powers, backpay, overtime, public holiday overtime rates, RDO cashouts, bereavement leave, meal allowances, termination payments and unpaid leave requests.
- The current annual leave policy was reviewed and positively reconciled to present practices.
- The capture of time recording data and linked verification processes are clearly in place and the interface through to the payroll processing is also well established and operable by two East Waste employees, namely the Finance Officer and Manager Human Resources and Financial Services.
- The fortnightly payroll process is well documented, regularly reconciled and undertaken in a timely manner.
- Review and findings of work and payrates comparison across the organisational structure undertaken and included.
- Clarification of contractor versus employee status for two positions within the current organisational structure.
- Update on recent legislative requirement to prove superannuation payments for Audit and Risk Committee members.

## Summary of Significant Observations

This audit aligns with East Waste's Strategic Risk Register as per:

**SR2** *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.*

As a result of audit testing, interviews and walkthrough observations, the following summary points are listed:

- **Process** – all processes are operating well, time recording is automated and verified, segregation of duties is in place, process documentation was witnessed via the walkthrough and evidenced in practice and records management is inherent within the Kronos and MYOB systems – covering time recording and payroll respectively.
- **Time Keeping** – has been updated to an electronic system, readily capturing key time data and providing a seamless interface with the payroll process.
- **Payroll** – averages 76 pay records per fortnight, provides an efficient and effective process, in an approachable manner with positive support for staffing.
- **Policy position** – this audit found the internal controls within the system, the workflows and authorisations, to align to the Annual Leave Policy and related documentation.
- **Awareness/Training** – with time recording, the logging on and logging off process is known to all and is operating well, it is convenient and easy to use, available at designated workstations and/or via mobile phones. There were no issues or failings observed, and all driver details are further verified by the Coordinator Operations.

Whilst on site, brief discussions were undertaken with the newly recruited General Manager, providing an outline of the current audit and ongoing internal audit plan for 2025/26 and 2026/27. It was noted that training was an area for initial focus being a key driver for future success of the business.

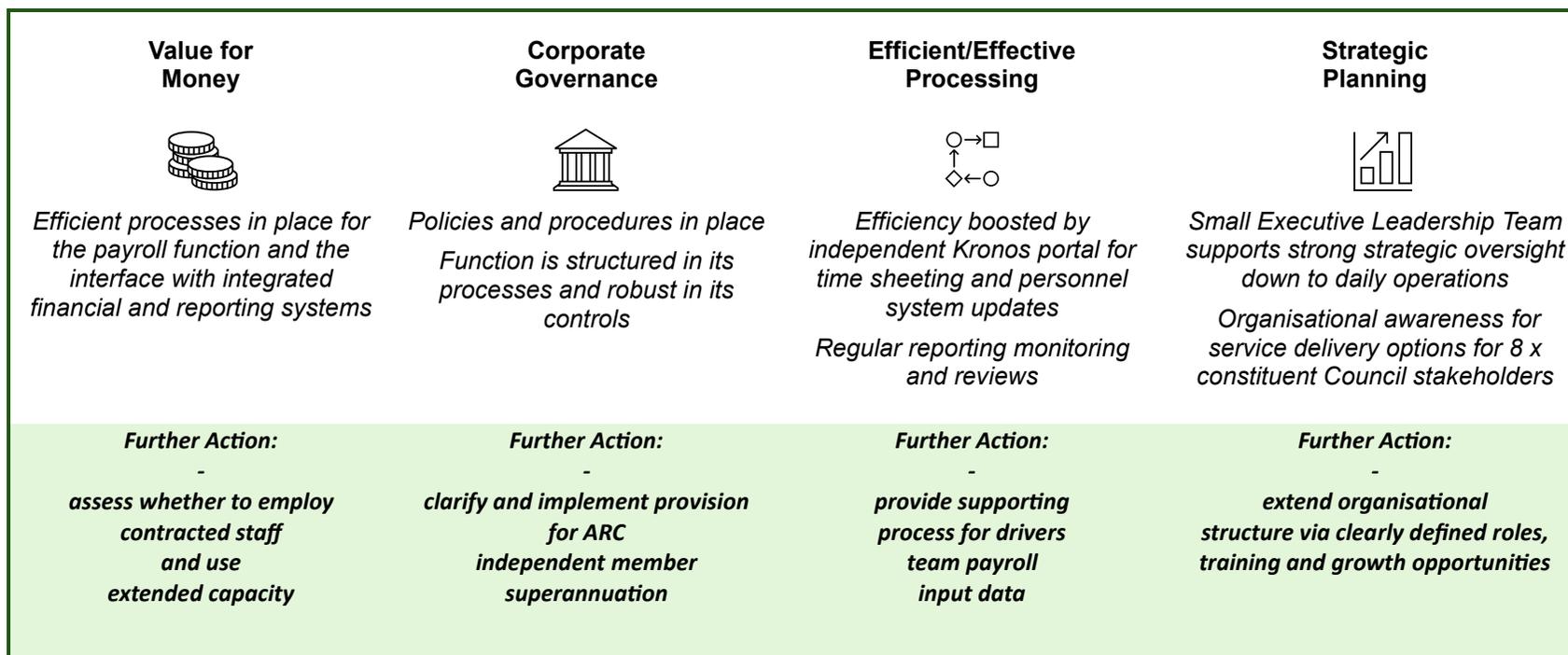
- **Agreements/Awards/Contracts** – pay details were checked for accuracy to source documentation and found all were paid the rates outlined in their contracts/letters of engagement.
- **Consistency of work/pay** – a review was undertaken across the organisation in order to assess consistency of work to pay rate. Whilst a few instances were found where positions were similarly titled, the substance of each job was not readily comparable. For example, amongst the teams of drivers, routes differ making it impossible to ascertain definitively from one area to another, some routes are longer, have more hours and additional allowances.

Transparency and consistency in this regard going forwards will be positive for workplace culture as there are also several coordinator roles and an admin team as well as other parallels. A review was also undertaken across the Executive Leadership Team where the three managers were found to have different packages, however this is noted as commonplace in business.

- **Contractor vs Employee status** – two positions were identified on the organisational chart as currently being undertaken by contractors. Further analysis will be undertaken, regarding the way in which these individuals' source and conduct their business, with amendments made to the organisational structure as required. Reference should be made to the 'assessment of contractor vs employee' as provided by the ATO and attached at Appendix C.

- **Superannuation for ARC Members** – Related to the raised awareness for existing legislation requiring superannuation to be provided for independent audit and risk committee members. Currently there is no provision in place at East Waste, however the SA Local Government Financial Management Group (SALGFMG), is shortly due to clarify details of how to progress both the overdue compliance and current payments - including any identified backdated payments.

**Diagram 2 - Overview of Summarised Findings**



## Conclusion

- The findings, following the audit of the payroll function at East Waste, were positive .
- By implementing the recommendations outlined in this report, payroll and related risks will be further mitigated, which will, in turn, increase assurances for both the Board and the constituent councils.

## Summary of Findings and Recommendations

Ref. #	Audit Scope Outcome	Recommendations	Audit Risk Rating	Management Response	Expected Completion Date
1.0	Assess related Enterprise Agreement, Awards, Employment Contracts, National Employment Standards (NES) and internal payroll function policies, as relevant.	No recommendations	MEDIUM	-	-
2.0	Confirmation of accurate calculation and appropriate implementation across the 2024/25 payroll function	<p><b>R2.0</b> Consider implementation of an internal process for confirming key payroll processing data for the team of drivers (to support Coordinator Operations with manual workload)</p> <p><i>For example, this process could formally list Public Holiday workers and other known adjustments, prior to the Kronos upload.</i></p>	MEDIUM	<p><b>Management will ensure additional controls are implemented, primarily for the payroll officer, to reduce risk of input error into the timekeeping system by Operational staff. Whilst this happens generally it is acknowledged that it is at times ad hoc and a consistent approach will ensure accuracy of data entry. This will be implemented immediately in line with upcoming pay cycle.</b></p>	12/11/25
3.0	Review to ensure completeness of implementation for all related pay agreements, awards, contracts, standards and policies	No recommendations	MEDIUM	-	-
4.0	Review of regulated allowances	No recommendations	LOW	-	-
5.0	Review and testing of system parameters to include rates, allowances & superannuation	No recommendations	LOW	-	-
6.0	Reconcile to relevant organisational policy documentation	No recommendations	LOW	-	-

Ref. #	Audit Scope Outcome	Recommendations	Audit Risk Rating	Management Response	Expected Completion Date
7.0	Review consistency of work and undertake payrate comparisons across the organisational structure	<b>R7.0</b> Consider scheduling an ongoing review of similarly titled positions, eg: coordinator roles, driver roles to provide an opportunity for cross skilling /experiencing variations and wider skills and knowledge bases.	LOW	<b>Management acknowledges these findings, noting there is some variation in work hours/location, specifically for Drivers. The variations across Leadership and Executive staff are considered not to be material. Management remains engaged with staff and encourages open conversation with employees and where possible will align rostering to employees' personal preferences and circumstances. The General Manager and Manager HR &amp; Financial Services will schedule an annual review of positions as part of a broader annual Organisational Chart review to ensure consistency and equity across similar titles roles with the first to be undertaken prior to the end of February 2026.</b>	28/2/26
8.0	Check the interpretation and calculation of specific payments; termination payments, identified ad hoc payments, back pay and leave cash out payments	No recommendations	MEDIUM	-	-
9.0	Check that payments to all deduction agencies are completed in a timely and accurate manner	No recommendations	LOW	-	-

Ref. #	Audit Scope Outcome	Recommendations	Audit Risk Rating	Management Response	Expected Completion Date
10.0	Review of employment contract details with specific focus on contractor/employee status and superannuation arrangements.	<p><b>R10.0</b> Undertake a review, incorporating the ATO assessment guide, to fully ascertain whether the EA Officer fits the contractor definition.</p> <p><b>R10.1</b> Establish a process for paying ARC independent members superannuation, to be activated once SALGFMG confirm details.</p>	MEDIUM	<p><b>R10.0</b> Management notes the associated risk and agrees with the recommendation, noting a definitive assessment is required to determine the true nature of the relationship. Management has commenced the process of reviewing the terms of the contractual arrangement and will look to implement a compliant and suitable resolution as soon as practicable.</p> <p><b>R10.1</b> Management will make contact with Independent Committee members to obtain superannuation information and implement a suitable process to make superannuation contributions on behalf of members in line with the next meeting cycle. We will await advice from SALGFMG relating to back payment obligations.</p>	31/12/25
11.0	Review payroll system reconciliations for accuracy and timeliness	No recommendations	LOW	-	-
12.0	Review any recommendations out of the Leave Balances audit and any other related audits	No recommendations	LOW	-	-

\* SALGFMG = South Australia Local Government Financial Management Group

## Detailed Findings and Recommendations

<b>Audit Scope Outcome</b>	<b>1.0 Assess related Enterprise Agreement, Awards, Employment Contracts, National Employment Standards (NES) and internal payroll function policies, as relevant.</b>																				
<b>Audit Area</b>	<b>Assessment against incomplete, inaccurate and inappropriate payroll data processing</b>																				
<b>Findings</b>	<p>The payroll system at East Waste recognises the following: (i) fixed term contract (ii) SAMSOA – salaried officers award (iii) LGE – Local Government Employee award (SAET) (iv) Eastern Waste Management Authority (East Waste) Enterprise Agreement 2024-2027 (EBA )</p> <p>These pay agreements were referenced when testing pay rates back to the respective rates held in MYOB payroll system.</p> <p>A sample of employees were randomly selected from the organisational structure listing provided at the onset of this audit and are identified by their employee number in the summary table below:</p> <table border="1" data-bbox="582 646 1249 858"> <thead> <tr> <th>Detail</th> <th>Qty</th> <th>Employee No.</th> </tr> </thead> <tbody> <tr> <td>Contracted</td> <td>3</td> <td>150 / 53 / 240</td> </tr> <tr> <td>SAMSOA</td> <td>3</td> <td>122 / 193 / 197</td> </tr> <tr> <td>LGE</td> <td>2</td> <td>221 / 191</td> </tr> <tr> <td>EBA</td> <td>8</td> <td>24/49/104/180/224/173/113/211</td> </tr> <tr> <td colspan="3" style="text-align: center;">16</td> </tr> </tbody> </table> <p>There are a total of 76 employees, which has resulted in a 20% testing sample of 16 records.</p> <ul style="list-style-type: none"> <li>(i) the fixed term contracts were reconciled exactly,</li> <li>(ii) the SAMSOA awards were found to have large pay bands and reference to various levels was more difficult to reconcile, however the individual letters accompanying each staff member, set out pay packages which were then fully reconciled to the payroll system data.</li> <li>(iii) the LGE award bands were reconciled to the pay levels for the mechanics team.</li> <li>(iv) the EBA reconciled to all within the drivers’ team, with precise reference to the hourly rate.</li> </ul>			Detail	Qty	Employee No.	Contracted	3	150 / 53 / 240	SAMSOA	3	122 / 193 / 197	LGE	2	221 / 191	EBA	8	24/49/104/180/224/173/113/211	16		
Detail	Qty	Employee No.																			
Contracted	3	150 / 53 / 240																			
SAMSOA	3	122 / 193 / 197																			
LGE	2	221 / 191																			
EBA	8	24/49/104/180/224/173/113/211																			
16																					
<b>Recommendations</b>	<b>No recommendations</b>																				
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>																		
	<b>UNLIKELY</b>	<b>MODERATE</b>	<b>MEDIUM</b>																		
<b>Management Response</b>	N/A																				
<b>Completion Date</b>																					

<b>Audit Scope Outcome</b>	<b>2.0 Confirmation of accurate calculation and appropriate implementation across the 2024/25 payroll function</b>		
<b>Audit Area</b>	<b>Transactional testing</b>		
<b>Findings</b>	<p>A walkthrough test was undertaken on the payroll run of 1<sup>st</sup> October 2025.</p> <ul style="list-style-type: none"> <li>- This allowed for insight into the process; the data held on the Kronos time sheeting system and the interface of this information with the MYOB pay generation system. Levels of process control, data checking and approvals were observed to be good for each staff entry and 100% of timesheets were checked.</li> <li>- Kronos time sheeting is fed by automated logons/logoffs across the yard/offices. These are enabled via computer systems or scanned via staff mobiles. Drivers working hours are verified by the Coordinator Operations and endorsed prior to payroll processing.</li> </ul> <p>In addition, to the above detailed transaction testing was undertaken across all 26 payroll runs.</p> <ul style="list-style-type: none"> <li>- Four instances were identified where additional supporting information was sought, detailing correcting adjustments for Public Holiday working and a tax adjustment.</li> </ul> <p>Testing reviewed: early starts / overtime / annual leave / personal leave / meal allowances / adjustments for different work patterns ie: study leave, unpaid leave etc.</p> <p>Cover for the payroll process, if the Finance Officer is unavailable, is provided by the Manager HR &amp; FS with approvals and checks being undertaken by Manager Business Services.</p> <p>The Coordinator Operations undertakes backfilling driver roles when staffing levels require it, this may cause delays in timesheet verification/additional checks to be undertaken.</p>		
<b>Recommendations</b>	<b>R2.0</b> Consider implementation of an internal process for confirming key payroll processing data for the team of drivers (to support Coordinator Operations with manual workload)		
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>
	<b>UNLIKELY</b>	<b>MODERATE</b>	<b>MEDIUM</b>
<b>Management Response</b>	<b>Management will ensure additional controls are implemented, primarily for the payroll officer, to reduce risk of input error into the timekeeping system by Operational staff. Whilst this happens generally it is acknowledged that it is at times ad hoc and a consistent approach will ensure accuracy of data entry. This will be implemented immediately in line with upcoming pay cycle.</b>		
<b>Completion Date</b>	<b>12/11/2025</b>		

<b>Audit Scope Outcome</b>	<b>3.0 Review to ensure completeness of implementation for all related pay agreements, awards, contracts, standards and policies</b>		
<b>Audit Area</b>	<b>Completeness of implementation/transactions</b>		
<b>Findings</b>	<p>Sample records (24) were checked to the MYOB system.</p> <p>An initial check was made to the employee data to verify names and payrates.</p> <p>Across the sample, the following were reviewed and tested for completeness of record, accuracy to payrate and</p> <ul style="list-style-type: none"> <li>- Implementation of higher duty pay rates,</li> <li>- Calculations of RDO cash out requests,</li> <li>- Accuracy of termination payments,</li> <li>- Backpay calculations following performance reviews,</li> <li>- Compassionate Leave &amp; Bereavement Leave,</li> <li>- Updating a new payrate,</li> <li>- Resignation</li> <li>- Unpaid leave</li> </ul> <p>A number of calculations were verified with the Finance Officer who was able to demonstrate full knowledge of each instance and provide a complete trail of the calculations.</p>		
<b>Recommendations</b>	<b>No recommendations</b>		
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>
	<b>UNLIKELY</b>	<b>MODERATE</b>	<b>MEDIUM</b>
<b>Management Response</b>	<b>N/A</b>		
<b>Completion Date</b>			

dit Scope Outcome		4.0 Review of regulated allowances		
<b>Audit Area</b>	<b>Regulated Allowances</b>			
<b>Findings</b>	<p>Allowances were noted as payable for the following:</p> <ol style="list-style-type: none"> <li>1. Meal allowance</li> <li>2. Licence Allowance</li> <li>3. Mobile Phone Allowance</li> <li>4. Motor Vehicle Allowance</li> </ol> <p>These were witnessed via the walkthrough observations of the payroll process undertaken on 01/10/25 and tested to the standing data held on the relevant MYOB employee records,</p> <ul style="list-style-type: none"> <li>- Meal allowances are paid to drivers on routes that exceed 10 hours and are logged on the payroll control worksheets from the logging on/off data. These are largely the routes that are out in the Adelaide Hills.</li> <li>- Licence allowances are paid to roles as relevant, eg: the drivers</li> <li>- Mobile phone allowances are paid to the General Manager, the Team Leader Customer Services and the Team Leader Workshop.</li> <li>- Motor Vehicle allowance is paid to the Manager Human Resources and Financial Services.</li> </ul> <p>All were found to be recorded accurately and well documented.</p>			
<b>Recommendations</b>	<b>No recommendations</b>			
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>		<b>Risk Rating</b>
	<b>RARE</b>	<b>MINOR</b>		<b>LOW</b>
<b>Management Response</b>	N/A			
<b>Completion Date</b>				

<b>Audit Scope Outcome</b>	<b>5.0 Review and testing of system parameters to include rates, allowances &amp; superannuation</b>		
<b>Audit Area</b>	<b>System parameters</b>		
<b>Findings</b>	<p>System parameters were reviewed in detail via a walkthrough with the Manager Human Resources &amp; Financial Services.</p> <p>There are a number of system parameters updates that the Manager Human Resources and Financial Services can undertake in relation to new pay awards, eg: when new payrates, allowance levels and superannuation percentages are required. These were explained and illustrated.</p> <p>When a new pay definition is required such as a new pay split of an existing classification or when a new team needs to be set up, the request needs to be logged via the system administrators who will then create the requested new accounts, test for accuracy and then notify that the account is 'live'.</p> <p>Screen shots of emails were provided to substantiate how these requests are managed and finalised.</p> <p>Through discussion it was noted that this process has worked well and suits both the needs of the organisation and the system administrators who support and maintain the system.</p>		
<b>Recommendations</b>	<b>No recommendations</b>		
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>
	<b>UNLIKELY</b>	<b>MINOR</b>	<b>LOW</b>
<b>Management Response</b>	N/A		
<b>Completion Date</b>			

<b>Audit Scope Outcome</b>	<b>6.0 Reconcile to relevant organisational policy documentation</b>		
<b>Audit Area</b>	<b>Policy documentation</b>		
<b>Findings</b>	<p>For this payroll audit the relevant organisational policy documentation was taken to be the Leave Policy. This policy had been recently issued and will be scheduled for review in 2 years' time.</p> <p>The policy is the responsibility of the General Manager and provides an overview of the range of leave entitlements, a new and key source of clarification, linking to relevant legislation and citing the LGE, SAMSOA and EBA as relevant documentation. Contents listed are:</p> <ul style="list-style-type: none"> <li>• Annual leave (on a full time basis) is 4 weeks,</li> <li>• Annual leave loading is referenced to respective awards/agreements or contracts of employment,</li> <li>• How to take leave and cancel leave are outlined in the body text,</li> <li>• Reference is made to the management of excessive annual leave,</li> <li>• Public Holidays and Annual Leave,</li> <li>• Leave payments</li> </ul> <p>With further details of the various types of leave:</p> <ul style="list-style-type: none"> <li>- Personal Leave (Carer's/Family Leave)</li> <li>- Compassionate/Bereavement Leave,</li> <li>- Long Service Leave,</li> <li>- Unpaid Leave,</li> <li>- Parental Leave,</li> <li>- Family and Domestic Leave,</li> <li>- Other miscellaneous leave – eg: jury service, trade union training or study leave.</li> </ul> <p>The majority of these leave classifications were evident throughout the individual, transactional testing.</p>		
<b>Recommendations</b>	<b>No recommendations</b>		
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>
	<b>RARE</b>	<b>MINOR</b>	<b>LOW</b>
<b>Management Response</b>	<b>N/A</b>		
<b>Completion Date</b>			

<b>Audit Scope Outcome</b>	<b>7.0 Review consistency of work and undertake payrate comparisons across the organisational structure</b>		
<b>Audit Area</b>	<b>Consistency and transparency</b>		
<b>Findings</b>	<p>Consistency of work/pay – a review was undertaken across the organisation in order to assess consistency of work to pay rate.</p> <p>Whilst a few instances were found where positions were similarly titled, eg: drivers, coordinators, managers, the detail behind the roles and responsibilities was found to vary.</p> <p>For example, amongst the teams of drivers, there were different routes, with pre-allocated locations, the local ones or the more distant Adelaide Hills ones with further distances, increased road hours and therefore meal allowances.</p> <p>Whilst these teams may be aware of issues within their rounds, it does not reflect as an issue in the payroll testing. All drivers have the same basic pay rate so the only variation would be linked to area allocations. There may be an opportunity to rotate routes.</p> <p>This audit has raised the profile of transparency and consistency in this regard, and the workplace culture is positive going forward.</p> <p>At present there are also several coordinator roles and an admin team with similar core duties which may lend themselves to cross skilling.</p> <p>A review was also undertaken across the managerial posts within the Executive Leadership Team. Having managers on a variety of employment types, fixed term contracts and/or permanent employees does not present an issue as each has their own portfolio and preferences.</p>		
<b>Recommendations</b>	<b>R7.0 Consider scheduling an ongoing review of similarly titled positions, eg: coordinator roles, driver roles, to provide an opportunity for cross skilling /experiencing variations and wider skills and knowledge bases.</b>		
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>
	<b>UNLIKELY</b>	<b>MINOR</b>	<b>LOW</b>
<b>Management Response</b>	<p>Management acknowledges these findings, noting there is some variation in work hours/location, specifically for Drivers. The variations across Leadership and Executive staff are considered not to be material. Management remains engaged with staff and encourages open conversation with employees and where possible will align rostering to employees’ personal preferences and circumstances. The General Manager and Manager HR &amp; Financial Services will schedule an annual review of positions as part of a broader annual Organisational Chart review to ensure consistency and equity across similar titles roles with the first to be undertaken prior to the end of February 2026.</p>		
<b>Completion Date</b>	<b>28/02/2026</b>		

<b>Audit Scope Outcome</b>	<b>8.0 Check the interpretation and calculation of specific payments; termination payments, identified ad hoc payments, back pay and leave cash out payments</b>		
<b>Audit Area</b>	<b>Consistency and Accuracy</b>		
<b>Findings</b>	<p>During the walkthrough testing 01/10/25 a range of payments specific to these areas was witnessed;</p> <ul style="list-style-type: none"> <li>- termination payments,</li> <li>- ad hoc payments,</li> <li>- back pay and</li> <li>- leave cash out payments</li> </ul> <p>The Finance Officer provided a full explanation of the calculations used, and these calculations are double checked by the Manager Human Resources and Financial Services prior to being paid.</p> <p>Within a sample of 24 x payroll payments for 2024/25, tested with variations:</p> <ul style="list-style-type: none"> <li>- 7 x were related to termination payments,</li> <li>- 2 x were payments for higher duties</li> <li>- 6 x were related to backpay calculations</li> <li>- 2 x RDO cashout payments</li> </ul> <p>All these calculations were checked to source documentation and input calculations and found to be accurate and fully substantiated.</p>		
<b>Recommendations</b>	<b>No recommendations</b>		
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>
	<b>UNLIKELY</b>	<b>MODERATE</b>	<b>MEDIUM</b>
<b>Management Response</b>	<b>N/A</b>		
<b>Completion Date</b>			

<b>Audit Scope Outcome</b>	<b>9.0 Check that payments to all deduction agencies are completed in a timely and accurate manner</b>		
<b>Audit Area</b>	<b>Consistency and accuracy</b>		
<b>Findings</b>	<p>This is undertaken as part of the fortnightly payroll function, with all relevant deduction payments made within the payment period terms.</p> <p>The processes in place for both payroll and accounts payable are streamlined and are overseen by the same team, the Finance Officer and the Manager of Human Resources and Financial Services.</p> <p>Payment of these deductions was evidenced via the organisations hard copy bank statements.</p>		
<b>Recommendations</b>	<b>No recommendations</b>		
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>
	<b>UNLIKELY</b>	<b>MINOR</b>	<b>LOW</b>
<b>Management Response</b>	<b>N/A</b>		
<b>Completion Date</b>			

<b>Audit Scope Outcome</b>	<b>10.0 Review of employment contract details with specific focus on contractor/employee status and superannuation arrangements</b>		
<b>Audit Area</b>	<b>Status of employee vs contractor / Superannuation provision for ARC Members</b>		
<b>Findings</b>	<p><b>(i) Status of employee vs contractor</b> - two organisational positions were being undertaken by contractors at the time of this audit.</p> <p>Via discussion with the Manager Human Resources and Financial Services, it was confirmed that one position was in the process of being made an employed position, transferring from a contractor position and relating to the role of 'education and promotions'. This has now been confirmed as in place within the organisational structure as of 15/10/25.</p> <p>In reviewing these roles, it is necessary to refer to the context and the indicators that will define whether the role and the person involved can be a contracted position or whether it is in fact an employed position.</p> <p>In order to facilitate the review of the remaining contracted position, the Executive Administration Officer, there is a completed ATO assessment attached (see Appendix C) which raises the necessary questions and guides the review to a structured outcome for those cases that are less clearly defined.</p> <p><b>(ii) Superannuation provision for ARC Independent Members</b> - this has been included in this scope in order to clarify the position and the requirements relating to superannuation legislation ie: the Superannuation Guarantee (Administration) Act 1992. This relates to providing superannuation payments for the independent members of the East Waste Audit and Risk Committee.</p> <p>At present the SA Local Government Financial Management Group (SALGFMG) are scheduled to have an position on complying with this existing legislation within the next few weeks. It is clear that this will need to be actioned, the expected confirmations will be regarding timeframes and requirement to factor in any backpay.</p>		
<b>Recommendations</b>	<p><b>R10.0 Undertake a review, incorporating the ATO assessment guide, to fully ascertain whether the EA Officer fits the contractor definition.</b></p> <p><b>R10.1 Establish a process for paying ARC independent members superannuation, to be activated once SALGFMG confirm details.</b></p>		
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>
	POSSIBLE	MINOR	MEDIUM
<b>Management Response</b>	<p><b><u>R10.0</u> Management notes the associated risk and agrees with the recommendation, noting a definitive assessment is required to determine the true nature of the relationship. Management has commenced the process of reviewing the terms of the contractual arrangement and will look to implement a compliant and suitable resolution as soon as practicable.</b></p> <p><b><u>R10.1</u> Management will make contact with Independent Committee members to obtain superannuation information and implement a suitable process to make superannuation contributions on behalf of members in line with the next meeting cycle. We will await advice from SALGFMG relating to back payment obligations.</b></p>		
<b>Completion Date</b>	31/12/25		

<b>Audit Scope Outcome</b>	<b>11.0 Review payroll system reconciliations for accuracy and timeliness</b>		
<b>Audit Area</b>	<b>Reconciliations</b>		
<b>Findings</b>	<p>Details of the reconciliation process were provided by the Finance Officer.</p> <p>The 2024/25 reconciliation covers the YTD, so is an accumulated total and is balanced to screenshots of the relevant ledger codes.</p> <p>The sum of all payroll credits and debits and a balancing figure being the accumulated balance paid to child support.</p> <p>Discussions confirmed that regular reconciliations are undertaken, and testing confirmed these are monthly with authorisation evidenced by the Manager of Human Resources and Financial Services.</p> <p>Testing evidenced the reconciliation for:</p> <ul style="list-style-type: none"> <li>- 28/02/25</li> <li>- 30/06/25</li> </ul> <p>Similar reconciliations are undertaken monthly for superannuation; testing evidenced the respective reconciliations for:</p> <ul style="list-style-type: none"> <li>- 31/03/25</li> <li>- 30/06/25</li> </ul>		
<b>Recommendations</b>	<b>No recommendations</b>		
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>
	<b>UNLIKELY</b>	<b>MINOR</b>	<b>LOW</b>
<b>Management Response</b>	<b>N/A</b>		
<b>Completion Date</b>			

<b>Audit Scope Outcome</b>	<b>12.0 Review any recommendations out of the Leave Balances audit and any other related audits</b>		
<b>Audit Area</b>	<b>Leave balances</b>		
<b>Findings</b>	<p>Reference to previous audits – subject ‘Leave Balances’</p> <p>The 2023/24 EOFY audit undertaken by Galpins highlighted ‘Management of excessive annual leave balances’.</p> <p>The annual leave balances have been reviewed for 2024/25 and all fall within the allowed policy position of 8 week maximum balance.</p> <p>As a result of this audit focus, the Executive Management Team implemented monthly reviews of annual leave data. Via exception reporting, any excessive balances are managed both from a business continuity and staff wellbeing viewpoint.</p> <p>Individual staff members may negotiate extended leave arrangements in agreement with management and aligned to business capacity.</p> <p><b>Reference:</b></p> <ul style="list-style-type: none"> <li>- 2023/24 EOFY Final Audit</li> <li>- Annual Leave Policy</li> </ul>		
<b>Recommendations</b>	<b>No additional recommendations</b>		
<b>Risk Assessment</b>	<b>Likelihood</b>	<b>Consequence</b>	<b>Risk Rating</b>
	-	-	<b>LOW</b>
<b>Management Response</b>	N/A		
<b>Completion Date</b>			

# Appendix A – Payroll Internal Audit Scope

		<b>PAYROLL INTERNAL AUDIT SCOPE</b>				
<b>INTERNAL AUDIT PLAN 2025 - 2027</b> <i>With assurance, comes agility, flexibility, shape shifting, an ability to seize opportunities and add strategic value.</i>						
2025/26	Work Schedule	Reference	Risk	Report to ARC	Rating/Source	Detail
Yr 1/Q2	Sept/Oct	Payroll system (ARC referral)	SR2	Nov-25	ARC	Assurance - Enterprise Agreement to payroll system (as discussed at ARC)
<b>Type</b>	Assurance/Compliance					
<b>Strategic Risk</b>	SR2 - 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.					
<b>Objective</b>	To review and assess the accuracy, completeness and timeliness of the calculation and implementation of the East Waste 2024/25 payroll function.					
<b>Background</b>	<p>Initially referred by the Audit &amp; Risk Committee (ARC) following discussion at their April 2025 meeting. Further discussion at the ARC meeting in June 2025 resulted in this audit being scheduled as the first audit of 2025/26 - Year 1 Work Plan.</p> <p>Out of session review by the ARC in order to finalise the audit scope, enabling on site review to commence early September 2025.</p>					
<b>Scope</b>	<p>Include assessment against Enterprise Agreement, Awards, Employment Contracts, National Employment Standards (NES) and Internal Policies as relevant.</p> <p>Confirmation of accurate calculation and appropriate implementation across the 2024/25 payroll function</p> <p>Review to ensure completeness of implementation for all related pay agreements, awards, contracts, standards and policies</p> <p>Review of regulated allowances</p> <p>Review and testing of system parameters - to include rates, allowances &amp; superannuation</p> <p>Reconcile to relevant organisational policy documentation</p> <p>Review of consistency of work and payrate comparisons for similar positions across the organisational structure</p> <p>Check the interpretation and calculation of specific payments were undertaken correctly eg: termination payments/ad hoc payments/ back pay / leave cash out payments</p> <p>Check that payments to all deduction agencies are completed in a timely and accurate manner eg: superannuation/child support etc.</p> <p>Review of employment contract details with specific focus on contractor/employee status and superannuation arrangements</p> <p>Review payroll system reconciliations for accuracy and timeliness</p> <p>Review any recommendations out of the Leave Balances audit and any other related audits</p> <p>Additional items as may become apparent during testing</p>					

## Appendix B – Risk Management

### Strategic Risk, Matrix and Risk Tables

	CONSEQUENCE				
LIKELIHOOD	Insignificant	Minor	Moderate	Major	Significant
Certain to occur	High	High	Extreme	Extreme	Extreme
Very likely	Medium	High	High	Extreme	Extreme
Possible	Low	Medium	High	Extreme	Extreme
Unlikely	Low	Low	Medium	High	Extreme
Rare	Low	Low	Medium	High	High

### Risk Acceptance table

RISK RATING	Acceptance Level	Control Level	Monitoring	Reporting
Low	Acceptable	Adequate	Active	Quarterly/Yearly
Moderate	Acceptable	Adequate	Active	Monthly/Quarterly
High	Acceptable in some circumstances	Excellent	Pro-Active	Weekly/Monthly
Extreme	Unacceptable in most circumstances	Excellent	Pro-Active	Daily/Weekly

## Consequence Table

	Reputation	Commercial	Business Impact	WHS/ Public Safety	Environment
Insignificant	<p><b>Public Image:</b> No adverse effect</p> <p><b>Community Concern:</b> Insignificant</p> <p><b>Social Health &amp; Community Wellbeing:</b> Negligible adverse impact</p> <p><b>Impact on established community relationships</b> Little or no impact</p>	<p><b>Effect on Constituent Council Membership:</b> No change in membership</p> <p><b>Effect on East Wast viability as entity:</b> No effect</p>	<p><b>Delay in Undertaking Routine Needs or Tasks</b> Delay of up to ½ day</p> <p><b>Legal Issues</b> nil</p>	<p><b>Injuries</b> No injuries or no significant injuries</p> <p><b>Effect on Property</b> Negligible loss or damage to property/ infrastructure</p>	<p><b>SA EPA Act</b> ‘Nuisance’ category under Act</p> <p><b>Contamination</b> On-site release immediately remedied</p> <p><b>Effect on species/ ecosystems</b> Slight, quick reversible damage to a few species</p>
Minor	<p><b>Public Image:</b> Kept onsite, no media interest, minor adverse effect</p> <p><b>Community Concern:</b> No community interest</p> <p><b>Social Health &amp; Community Wellbeing:</b> Minor adverse impact</p> <p><b>Impact on established community relationships</b> Minor impact</p>	<p><b>Effect on Constituent Council Membership:</b> Possibility of change in Membership raised</p> <p><b>Effect on East Wast viability as entity:</b> Minor impact able to be addressed by management</p>	<p><b>Delay in Undertaking Routine Needs or Tasks</b> Delay of up to 1 day</p> <p><b>Legal Issues</b> nil</p>	<p><b>Injuries</b> First Aid treatment</p> <p><b>Effect on Property</b> Minor loss or infrastructure damage</p>	<p><b>SA EPA Act</b> ‘Nuisance’ category under Act</p> <p><b>Contamination</b> On-site release remedied without impact on business</p> <p><b>Effect on species/ ecosystems</b> Some minor adverse effects to a few species/ ecosystem parts that are short term and immediately reversible</p>
Moderate	<p><b>Public Image:</b> Local media coverage, moderate adverse effect</p> <p><b>Community Concern:</b> One or two community complaints</p> <p><b>Social Health &amp; Community Wellbeing:</b> Moderately reduced opportunities for participation in community life and/or decision making</p> <p><b>Impact on established community relationships</b> Moderate incidences of increased isolation</p>	<p><b>Effect on Constituent Council Membership:</b> Change of membership by 1 (either gain or loss)</p> <p><b>Effect on East Wast viability as entity:</b> Effect that requires Board attention</p>	<p><b>Delay in Undertaking Routine Needs or Tasks</b> Capability/ service impaired, moderate impact on stakeholders, delay of 1-3 days.</p> <p><b>Legal Issues</b> Minor legal issues, non-compliances and breaches of regulation</p>	<p><b>Injuries</b> Medical treatment required</p> <p><b>Effect on Property</b> Moderate loss/ or infrastructure damage</p>	<p><b>SA EPA Act</b> ‘Material’ category under Act</p> <p><b>Contamination</b> On-site release contained without outside assistance</p> <p><b>Effect on species/ ecosystems</b> Temporary reversible damage, loss of habitat and migration of animal population, plants unable to survive, pollution requires physical removal, land contamination localised and can be quickly remedied.</p>
Major	<p><b>Public Image:</b> State media coverage, interest by Member Councils, interest by regulators, major adverse effect</p> <p><b>Community Concern:</b> Seriously affected by major community unrest</p> <p><b>Social Health &amp; Community Wellbeing:</b> Seriously affected by major community interest</p> <p><b>Impact on established community relationships</b> Significant breakdown</p>	<p><b>Effect on Constituent Council Membership:</b> Change of membership by 2 or more (either gain or loss)</p> <p><b>Effect on East Wast viability as entity:</b> Effect that requires Member Council attention</p>	<p><b>Delay in Undertaking Routine Needs or Tasks</b> Loss of capability, disruption to services, major impact on stakeholders and delay of 3-5 days</p> <p><b>Legal Issues</b> Serious breach of regulation with investigation or report to authority with prosecution and/or moderate fine possible</p>	<p><b>Injuries</b> Serious or extensive injuries</p> <p><b>Effect on Property</b> Serious structural damage to infrastructure or serious loss of assets</p>	<p><b>SA EPA Act</b> ‘Serious’ category under Act</p> <p><b>Contamination</b> Off-site release or spillage With no detrimental outcome</p> <p><b>Effect on species/ ecosystems</b> Death of individual animals, large scale injury, loss of keystone species and widespread habitat destruction.</p>
Catastrophic	<p><b>Public Image:</b> National media coverage, leads to changes at Executive or Board level, loss of key contracts</p> <p><b>Community Concern:</b> Hugely affected by major community unrest</p> <p><b>Social Health &amp; Community Wellbeing:</b> Hugely affected by major community unrest</p> <p><b>Impact on established community relationships</b> Significant breakdown</p>	<p><b>Effect on Constituent Council Membership:</b> Termination of East Waste</p> <p><b>Effect on East Wast viability as entity:</b> Termination of East Waste</p>	<p><b>Delay in Undertaking Routine Needs or Tasks</b> Loss of services and capability, failure to meet stakeholders’ needs for more than 5 days. Project &amp; program failure, inability to meet minimum standards, most objectives not met.</p> <p><b>Legal Issues</b> Major breaches of regulation, major litigation</p>	<p><b>Injuries</b> Fatalities</p> <p><b>Effect on Property</b> Critical loss, irreversible damage to property/ infrastructure</p>	<p><b>SA EPA Act</b> ‘Serious’ category under Act</p> <p><b>Contamination</b> Toxic release or major spillage off-site with detrimental effect. Permanent and widespread land contamination.</p> <p><b>Effect on species/ ecosystems</b> Death of animals in large numbers, destruction of flora species and irreversible soil erosion or severe compaction, widespread introduction of weeds</p>

## Appendix C – Assessment - Contractor or Employee

### Scope of Advice

This opinion addresses tax and superannuation compliance obligations under the Superannuation Guarantee (Administration) Act 1992 (SGAA), the ATO ruling TR 2023/4 and associated ATO guidance.

It does not cover employment law, industrial relations or enforceability of contractual terms beyond their relevance to tax and superannuation obligations.

### Issue

East Waste has an engagement letter to provide Administrative Services. The engagement letter is dated 2nd February 2024 for a 12-month term, which has expired.

The question is whether this person is a common-law employee under TR 2023/4.

If not, does East Waste have to pay superannuation under SGAA 12(3)?

### Rule

TR 2023/4: The classification of whether a person is an employee or contractor sets out some key factors:

- Integration: Serving in the engagement of the entity's business
- Control and right to control
- Ability to delegate
- Risk
- Tools and equipment
- Payment Basis.

SGAA s12(3): If a contract is wholly or principally for personal labour, non-delegable and not for a result. Superannuation Guarantee applies.

### Assessment: Employee or Subcontractor?

#### Integration

An East Waste employee serves the Authority and is contractually required to perform work as a representative of the Authority. An Independent Contractor provides services to the Authority, but the work is performed to further their own business.

The individual works remotely and has access to the Authority's Computer Systems. The engagement letter specifies that East Waste will supply an outlook email address and other necessary software/licenses to enable the person to operate efficiently and present a professional unified approach from East Waste.

The way email is used, along with the statement in the engagement letter about setting a unified approach from East Waste, indicates an integration into the Authority's business in the manner of an employee.

### **Control and Right to Control**

An employer has the legal right to control how, where and when a worker does their work. An Independent Contractor can choose how, where and when work is done, subject to reasonable direction by the Authority.

The individual is engaged to provide approximately 25 hours of service per month, which may vary according to need. The individual is a sole trader who has other clients and manages work for East Waste, addressing all client needs and priorities.

The responsibilities are specified in the engagement letter, with the expectation that work will be undertaken remotely; however, attendance is compulsory for specified meetings. Aside from attending specified meetings, the individual appears to have control over when work will be undertaken, as long as it falls within the required timeframes. There are no set hours per day.

Although East Waste has some direction of the work undertaken, the individual appears to have significant control over when the work will be carried out.

This could indicate a Contractor relationship.

### **Ability to Delegate**

An employee has limited ability to delegate to other employees and, through procurement and contractual arrangements, limited ability to delegate to subcontractors. An Independent Contractor can freely delegate to their own staff and may also delegate to subcontractors, depending on the contract. An Independent Contractor may still need to inform the Authority of the staff member undertaking the work, ensure local WHS inductions are completed, and confirm the employee's qualifications, but they have the freedom to delegate.

The individual does not have any employees and therefore does not delegate. The engagement letter does not restrict them from delegating.

The fact that the engagement letter does not restrict delegation could indicate the nature of an independent Contractor.

If the Contractor had an employee and was able to delegate to them, this would indicate the nature of an Independent Contractor.

### **Risk**

An employee bears little or no risk sustained in the performance of their work. An Independent Contractor bears commercial risk and responsibility for poor workmanship or injury sustained by any party in the performance of work.

The individual is expected to hold insurance; however, the engagement letter does not specify these requirements, nor does it specify which party is responsible for any risks.

Potential risks are low for this type of work; however, as the engagement letter does not specify the responsibility for risk, including the risk of any personal injuries incurred by the individual while working for the Authority, East Waste could find itself responsible for these risks.

If East Waste is responsible for risks, the nature of the engagement is that of an employee.

### ***Tools and Equipment***

In an employment relationship, the Authority provides all or most of the equipment and tools, or if the worker provides tools, they receive an allowance or reimbursement. An Independent Contractor provides all or most of the equipment and tools and does not receive an allowance or reimbursement. The work would involve the use of a substantial item that the Independent Contractor is financially and wholly responsible for.

The individual is required to work remotely and supply their own computer. East Waste supplies an outlook email address and other necessary software licences to undertake the work.

The main equipment consists of a computer and phone, which are supplied and maintained by the individual. This is in the nature of an Independent Contractor.

### ***Payment Basis***

An employee is generally paid for hours worked and activities undertaken. An Independent Contractor is paid for a result.

The engagement letter outlines two flat hourly rates, depending on the level of service provided, plus superannuation payments.

The payment appears to be based on hours worked, rather than results, which is the nature of an employee's compensation.

### ***Assessment: Is Council required to pay the Superannuation Guarantee?***

East Waste may need to pay the Superannuation Guarantee for a contractor if they are paid mainly for their labour. This means:

- The contract is wholly or principally for their labour
- They are paid for their personal labour and skills
- They must perform the work personally (they cannot delegate)

They must be an individual. Superannuation is not paid to a company, trust or partnership.

The work undertaken in this contract is for labour. There are no current delegations in place. This indicates that the Superannuation Guarantee needs to be paid, regardless of whether the engagement is in the nature of an employment contract or as an independent Contractor.

East Waste is paying superannuation to this individual.

### ***Conclusion***

Determining whether someone is an employee or a contractor is not a matter of individual assessment boxes but rather involves examining the contract as a whole.

There is a risk that this individual may be an employee. In any case, there is a strong indication that the Superannuation Guarantee needs to be paid, which is occurring. If East Waste wishes to maintain its Contractor status, some of the contract terms may need to be reviewed.

## Disclaimer

This advice has been prepared by UHY Haines Norton, a registered tax agent, for general information purposes only. It addresses tax and superannuation obligations under the Superannuation Guarantee (Administration) Act 1992 and the ATO ruling TR 2023/4 and other ATO guidance.

We are not legal practitioners, and this advice does not constitute legal advice on employment law, industrial relations, or contract enforceability. For matters involving legal interpretation, employment entitlements or contract disputes, we recommend seeking advice from a qualified legal professional.

This advice is based on the information provided and the current ATO as at the date of this Report. Legislative changes or factual variations may alter the conclusions. No responsibility is accepted for actions taken without further consultation.

## Sources of Information

The ATO website provides information on this matter. The following link goes to a page on the ATO website.

[Difference between employees and independent contractors | Australian Taxation Office](#)

The ATO Ruling TR2023/4 on the Legal Database goes to an ATO public ruling that provides more detail when assessing whether a worker is an employee or contractor.

[TR 2023/4 | Legal database](#)

The following link goes to a page on the ATO website that discusses when the Superannuation Guarantee is required to be paid for Independent Contractors.

[Super for independent contractors | Australian Taxation Office](#)



**Let us help you achieve further business success**

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## 9.5 Internal Audit Recommendation Progress Tracking

**Report Author** Manager Human Resources & Financial Services

**Attachments** A: UHY Haines Norton Internal Audit Progress Tracking Schedule

### Purpose and Context

To provide the Audit & Risk Management Committee (the Committee) with an update on the progress of implementation of recommendations made by internal auditors, UHY Haines Norton, through East Waste’s Internal Audit Program.

#### Recommendation

*That the Audit & Risk Management Committee notes the Internal Audit Progress Tracking Schedule, prepared by UHY Haines Norton, as presented at Attachment A - ‘UHY Haines Norton Internal Audit Progress Tracking Schedule (Item 9.5, Audit & Risk Management Committee Meeting, 18 February 2026).*

### Background

East Waste’s first internal audit cycle commenced 1 July 2025, the payroll audit being the first of three (3) internal audits scheduled to be undertaken in the FY26 year. The scheduled upcoming audits are:

- Business Continuity                      Jan/Feb              2026
- Asset Management                        Apr/May             2026

The payroll audit was undertaken in September 2025, with the results presented to the Committee and the East Waste Board (the Board) in November 2025.

### Discussion

As an extension of the internal audits facilitated by UHY Haines Norton, a register detailing all internal audit recommendations and East Waste’s progress against each, is maintained as a mechanism for ensuring the effectiveness of the Internal Audit program.

The Internal Audit Progress Tracking Schedule is presented at Attachment A (**refer attachment A**) detailing the recommendations from recent payroll audit, including the corresponding associated risk rating, and Management comments inclusive of up-to-date progress against each.

It is important to note that as some recommendations are now marked complete by Administration, subject to further review by UHY Haines Norton, the ‘Audit Risk Rating’ may reduce as a result of the additional controls now in place. Administration will update the schedule as more information as known.

This will be a standard item on the Agenda, to keep the Committee informed and provide assurance that recommendations are implemented effectively.

## ITEM 9.5 - ATTACHMENT A

### Summary of Findings and Recommendations - Progress Tracking

Ref. #	PAYROLL AUDIT	Recommendations	Audit Risk Rating	Management Response	Expected Completion Date	Status	Revised Completion Date	Comments
2	Confirmation of accurate calculation and appropriate implementation across the 2024/25 payroll function	<b>R2.0</b> Consider implementation of an internal process for confirming key payroll processing data for the team of drivers (to support Coordinator Operations with manual workload)  <i>For example, this process could formally list Public Holiday workers and other known adjustments, prior to the Kronos upload.</i>	MEDIUM	Management will ensure additional controls are implemented, primarily for the payroll officer, to reduce risk of input error into the timekeeping system by Operational staff. Whilst this happens generally it is acknowledged that it is at times ad hoc and a consistent approach will ensure accuracy of data entry. This will be implemented immediately in line with upcoming pay cycle.	12/11/2025	Completed		Further controls were implemented immediately in the payroll cycle following the payroll audit, relating to additional checks to be undertaken by the Finance offer with lead operational staff, to minimise errors where manual input is required.
7	Review consistency of work and undertake payrate comparisons across the organisational structure	<b>R7.0</b> Consider scheduling an ongoing review of similarly titled positions, eg: coordinator roles, driver roles to provide an opportunity for cross skilling /experiencing variations and wider skills and knowledge bases.	LOW	Management acknowledges these findings, noting there is some variation in work hours/location, specifically for Drivers. The variations across Leadership and Executive staff are considered not to be material. Management remains engaged with staff and encourages open conversation with employees and where possible will align rostering to employees' personal preferences and circumstances. The General Manager and Manager HR & Financial Services will schedule an annual review of positions as part of a broader annual Organisational Chart review to ensure consistency and equity across similar titles roles with the first to be undertaken prior to the end of February 2026.	28/02/2026	Completed		Administration has implemented an Annual Workforce Planning exercise, with the first undertaken in January 2026. Led by the General Manager and Manager HR & Financial Services, and involving key Executive staff, the review was minuted internally and included a review of the organisational chart, review of position duties and alignment to award and role classification, and equity across similar roles in the organisation.  A key outcome of the review is to explore preferences within the driver workforce through an internal survey to determine preference of route, overtime provisions or a desire for variety in route scheduling.
10	Review of employment contract details with specific focus on contractor/employee status and superannuation arrangements.	<b>R10.0</b> Undertake a review, incorporating the ATO assessment guide, to fully ascertain whether the EA Officer fits the contractor definition.	MEDIUM	R10.0 Management notes the associated risk and agrees with the recommendation, noting a definitive assessment is required to determine the true nature of the relationship. Management has commenced the process of reviewing the terms of the contractual arrangement and will look to implement a compliant and suitable resolution as soon as practicable.	31/12/2025	Completed		Administration have undertaken an internal assessment of the nature of the working relationship with the EA Officer, referencing the ATO Guidelines, and found a genuine contractor relationship exists. However, additional wording was included in the contract through an Addendum, to further confirm the contractual relationship and reduce risk to East Waste. Specifically: - The requirement of the contractor to hold current and sufficient Public integrity and Professional Indemnity insurances - The ability to sub-contract works to appropriately skilled workers - The level of control East Waste has over the nature of the work being undertaken. The contract remains in place until August 2026, at which time further review will occur.
		<b>R10.1</b> Establish a process for paying ARC independent members superannuation, to be activated once SALGFMG confirm details.		R10.1 Management will make contact with Independent Committee members to obtain superannuation information and implement a suitable process to make superannuation contributions on behalf of members in line with the next meeting cycle. We will await advice from SALGFMG relating to back payment obligations.				31/12/2025

## 9.6 General Manager’s Update

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**Report Author**            General Manager

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**Attachments**

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### Purpose and Context

The purpose of this report is to provide the Audit & Risk Management Committee with an overview of organisational performance, strategic priorities, key risks, and emerging opportunities. The report is intended to support informed decision-making, ensure appropriate governance oversight, and align management activities with East Waste’s strategic direction

The matters have been listed in one report as an efficiency and it is recommended 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 General Manager’s Report as presented on the 18 February 2026.***

### Strategic Link

**Objective 5.** Provide Leadership

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

### Background

The General Manager’s Update replaces verbal briefings as the formal mechanism for providing commentary on contemporary matters aligned with East Waste’s Strategic Management Plans.

### Discussion

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

#### 1. Organics Contract and Procurement

- Draft contract has been reviewed by East Waste and is now with Peats for feedback.
- Members of the East Waste leadership team have visited the Peat’s site in the Adelaide Hills for a tour.
- Existing interim arrangements are working well with no issues flagged in regard to switch to Peats.
- East Waste is working closely with LG Procurement to progress key contracts in 2027 and will provide tracking through Power BI to Member Councils

## 2. Cost Model

- Extensive review and engagement culminating in a workshop held at East Waste (with Teams also) to review position being put forward.
- Good feedback and support for proposed amendments with consideration now focusing on preferred timing for potential implementation.
- In summary Administration will be putting forward for endorsement:
  - Adjustment in the definition of the Administration fee to consist of Statutory Costs which will be detailed, and include GM and Board/A&R costs.
  - A confirmation that based on research and internal review the original Administration fee was created to cover the GM and part time Administrator when first established.
  - Continuation of the existing Cost model billing approach but with a quarterly reconciliation process which facilitates more timely capture of project costs (such as FOGO).
  - Continuation of the existing services delivery approach under the Commonfleet costing but with greater transparency of what is provided now visible in the SLAs.
  - Additional services beyond standard offering to be charged on a direct charge basis with the specific Council, these services are clearly identified in the SLAs.
  - Implementation of a budget calculation process which confirms existing and intended activity each year with the relevant Council to then drive East Waste budget preparation.

## 3. SLAs

- The proposed SLA and relevant attachments has been released to all Member Councils for consideration and final feedback.
- The update is based upon extensive feedback and workshops to represent the needs of the Member Councils, improve transparency and simplify understanding of East Waste services.
- The SLAs are written to accommodate all Member Councils rather than specific individual arrangements.
- The contents of the SLA package is:
  - Overarching agreement and higher detail (core document).
  - Summary document, in table format, which highlights East Waste standard services and metric for performance expectation, along with additional services which can be provided at direct charge.
  - Summary document, in table format, which highlights East Waste performance standards to the public and set expectation around service delivery and customer satisfaction.
  - Examples of the digital reporting to align with the performance standards set out and reporting to be explored and added once available.
  - Member Councils have been asked to return their feedback by the end of February with a targeted formal release for signing to occur in March.

**4. Education**

- In conjunction with the release of the SLAs Administration also included specific details on the Education delivery from both internal resources and through KESAB as the current delivery partner, this package also included a survey for Member Councils to share feedback on the education program.
- A workshop was conducted post return of the education surveys with Member Councils invited to attend (onsite or via Teams) to receive an update on the education programs, internal and through KESAB, and also share the results of the survey.
- Discussion also occurred on how to establish/lock in this type of feedback mechanism to ensure the education delivery is being reviewed and adjusted to meet the needs of Member Councils.
- Feedback was very positive on the day and it improved attendees understand of the range of services already being delivered.

**5. Manager Business Services**

- David Maywald, Manager Business Services will be taking long service leave for a period of six (6) months this year..
- As a team we have reviewed our structure and need for this period to ensure no disruption to service delivery.
- Kelly Vandermoer will move to cover David's role while keeping oversight of HR.
- A temp contract has been released, and appointed, for a finance role to lead the financial delivery and report directly to the GM.

**6. FOGO**

- Existing FOGO continues well.
- Incoming FOGO, Prospect, Burnside and later Unley are progressing effectively and we have seen a great improvement in planning/capability capture especially with Unley as they benefit from the activity enhancement, particularly being comfortable to engage directly with East Waste to work through costs and planning without additional external consultant costs.
- East Waste has improved estimating tools to improve cost visibility and planning which have been effective in support Member Councils in understanding and capturing likely costs, specifically the two tools; Operational Estimate and Education/Administration Planner.
- These tools are very simple and give Member Councils clear values to consider, or tweak, to make informed decisions on their planned roll out.

**7. Culture**

- Existing culture tools are progressing well, photo board, feedback box.
- An engagement survey is lined up for mid-February to drive further understanding and improvement.

**8. Safety**

- Focus areas continue to be tracked and monitored weekly by the ESG.
- Progress is being made with LGRS on the relevant plans for this year.
- Corrective actions are down, targets are set, while drug and alcohol testing is on target.
- Power BI reporting for key WHS metrics is in development concurrently with the Member Council reporting in support of the SLAs and expected to be fully released by end of February.
- Fatigue management has been the core focus item as Administration expands its safety focus items following embedding of overweight, corrective actions and drug and alcohol.

The General Manager's Update is intended to be a standing item on the Agenda.

## 9.7 Information Report

<b>Report Author</b>	Executive Administration Assistant
<b>Attachments</b>	A: General Manager Credit Card – October 2025 – January 2026 B: Audit Committee Resolution Register C: Annual Reporting Calendar D: Contracts Register

### 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 as presented on the 18 February 2026.***

### 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. Credit Card Expenditure

The presentation of the General Manager’s 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 General Manager’s expenditure for is included at **Attachment A** and is limited to card fees and parking for attendance at meetings.

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.*

## 2. Resolutions Register

The presentation of the Outstanding Resolutions Register to the Audit & Risk Management Committee (Committee) is considered a good governance practice. At the meeting of 10 November 2025, the Committee recommended three (3) matters to the East Waste for consideration. The decisions of the East Waste Board are included on the Resolution Register at **Attachment B**. There are no outstanding items on the Committee's Resolutions Register.

## 3. Annual Reporting Calendar

This report provides the Audit & Risk Management Committee with an update of the progress of East Waste's key reporting requirements via the Annual Reporting Calendar.

At the May 2023 Board Meeting, the East Waste Board resolved:

### 9.3 Annual Reporting Calendar

*Moved Cr Allanson that the Board endorses the East Waste Annual Reporting Calendar, as presented in Attachment A, as a base document for tracking the key legislative and governance reporting requirements.*

*Seconded Mayor Holmes-Ross*

**Carried**

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

The annual FY26 review of East Waste's Long-Term Financial Plan (LTFP) was scheduled to occur at the November 2025 meeting cycles and was deferred. Administration will be better informed to review the plan following the outcome of the review of East Waste's cost model, which is now in its final stages and is expected to result in a revised Budget framework. Administration will present a revised LTFP at the April 2026 meeting cycles, following development of the FY27 Budget.

This is a standing item on the Agenda.

4. A copy of the current East Waste contract Register as been included in this report (**refer Attachment D**). At the time of writing this report East Waste administration are in the process of engaging LGA procurement to assist with the procurement of the one expired contract and the contracts due for expiry in the near future.

**ITEM 9.7 - ATTACHMENT A**

GENERAL MANAGER CREDIT CARD RECONCILIATION LEONARD LEYLAND OCTOBER 2025					
Value Date	Transaction Description	Description	Coding	Amount	Receipt
10/10/2025	WILSON PARKING ADE052 ADELAIDE AU		6-1924	\$ 10.80	YES
26/10/2025	CARD FEE	BankSA Annual Credit Card Fee (Direct Debit)	6-0201	\$ 55.00	N/A
		<b>TOTAL</b>		<b>\$ 65.80</b>	

**GENERAL MANAGER CREDIT CARD RECONCILIATION  
LEONARD LEYLAND  
NOVEMBER 2025**

<b>Value Date</b>	<b>Transaction Description</b>	<b>Description</b>	<b>Coding</b>	<b>Amount</b>	<b>Receipt</b>
13/11/2025	WILSON PARKING ADE052 ADELAIDE AU		AUD	\$ 24.33	
		<b>TOTAL</b>		<b>\$ 24.33</b>	





<b>Audit and Risk Management Committee Resolutions Register as at 30 January 2026</b>				
14/11/2025	9.1	Financial Statements – FY2026 Budget Review One	That the Audit & Risk Management Committee notes and accepts the forecasted end of year FY2026 result associated with the 2025/26 Budget Review One and recommends to the East Waste Board for adoption.	<b>COMPLETE</b> - On 20 November 2025 the East Waste Board adopted the forecasted end of year FY2026 result associated with the 2025/26 Budget Review One.
14/11/2025	9.3	Annual Treasury Management Performance Report	That the Audit & Risk Management Committee receive and note the 2025 Annual Treasury Management Performance Report (Attachment A, Item 9.3, Audit & Risk Management Committee Meeting, 12 November 2025) and recommend to the Board for adoption.	<b>COMPLETE</b> - On 20 November 2025 the East Waste Board received and noted the 2025 Annual Treasury Management Performance Report.
14/11/2025	9.4	Customer Service Metrics Report	That the Audit & Risk Management Committee notes the Customer Service Metrics Report (Attachment A, Item 9.4, Audit & Risk Management Committee Meeting, 12 November 2025) and recommends Item 9.4 Customer Service Metrics Report for presentation to the East Waste Board.	<b>COMPLETE</b> - On 20 November 2025 the East Waste Board received and noted the Customer Service Metrics Report.

# ITEM 9.7 - ATTACHMENT C

## East Waste Annual Reporting Calendar Board and Audit & Risk Management Committee 2026

	Feb	Apr/May	Jun	Sep	Nov	
<b>Audit &amp; Risk Management Committee Meeting</b>	Feb 18	Apr 22	Jun 10	Sep 16	Nov 11	✓ Item previously presented/endorsed
<b>Board Meeting</b>	Feb 26	Apr 30	Jun 25	Sep 24	Nov 26	✓ Item included in current meeting Agenda • Item deferred to a future meeting ■ Item not presented this calendar year

Meeting	Financial	Feb	Apr/May	Jun	Sep	Nov	Notes
B	A&R	Budget Review 2	✓				
B	A&R	Draft Annual Plan & Budget Assumptions	✓				
	A&R	Review of Proposed External Audit Work Plan					
	A&R	Review of Proposed Internal Audit Work Plan					
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					
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					
<b>Governance</b>							
B		Board & Committee Appointments					Appointment of Board Director to vacant position on Audit & Risk Management Committee.
B		General Manager Performance Review					General Manager probationary outcome scheduled for February Board meeting cycles.
B		Annual Education Summary Report					
B		Lodgment of RPD, Primary, and Ordinary Returns					
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					
<b>Risk</b>							
B	A&R	Strategic Risk Register Review	✓				

This is a confidential attachment