Eastern Waste Management Authority
Ordinary Audit & Risk Management Committee

Minutes

Wednesday 10 June 2026

EastWaste

Minutes

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

Meeting held on Wednesday 10 June 2026 at 4.00 pm,
HenderCare, Level 3/81 Flinders Street, Adelaide.

Welcome

The Chair, Mrs E Hinchey, declared that a quorum was present and opened the meeting open at 3.59 pm.

1. Acknowledgement of country

With the opening of the meeting the Chair stated:

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.

2. Present

Directors:	
Mrs E Hinchey	Independent Chair
Mr F Bell	East Waste Board Chair
Mr A Wiguna	East Waste Board Representative
Ms L Green	Independent Member
Ms N Caon	Independent Member
In Attendance:	
Mr L Leyland	General Manager
Ms K Vandermoer	Acting Manager Business Services
Mr A Veloor	Finance Business Partner
Ms V Davidson	Executive Administration Officer; Independent Consultant

3. Apologies

Nil.

4. Disclosures of interest

Nil.

5. **Confirmation of the minutes**

Moved Ms L Green that the Minutes of the East Waste Audit and Risk Management Committee meeting held on 22 April 2026 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**

Nil.

9. **Reports**

9.1 General Manager's Update

The General Manager provided 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.

Discussion

The General Manager presented the Committee with information reflecting the approximate operational impact should all Constituent Councils wish to roll out FOGO, using both the current scenario and also the scenario should weekly opt outs not be required. Adelaide Hills Council have indicated that they wish to fully roll out FOGO in 2028. The Committee expressed concern about the impact on resources and questioned whether the Administration had considered whether the level of service requested was manageable – human resources, assets, frequency of pick-ups etc. Administration was requested to give consideration as to the practicability of the proposed FOGO roll out going forward and present a fulsome scenario to the East Waste Board.

The Committee enquired as to where the concept of moving from quarterly to monthly invoicing had arisen and management advised that it was requested by the Constituent Councils.

The General Manager outlined the role of LGA Procurement in coordinating tender processes for East Waste and provided an update of the matters currently out for tender. Concern was expressed that the contract with Peats Soil and Garden Supplies remains unresolved. The Committee was advised that the existing contract is legally binding and that only a minor issue is yet to be finalised.

The Committee noted that their previous request for further information regarding East Waste's insurance coverage had been provided and sought assurance that damage to third party property is covered under the existing insurance policies.

Resolution

Moved Mr F Bell that the Audit & Risk Management Committee:

1. Receives and notes the General Manager's Report as presented on 10 June 2026.
2. Provides the following feedback. Administration is requested to:
   a. give consideration as to the practicability of the proposed FOGO roll out going forward and present a fulsome scenario to the East Waste Board for their consideration and comment.
   b. confirm with East Waste's insurers that East Waste is covered for private property damage arising from fires.
3. In accordance with clause 4.8 of the Eastern Waste Management Authority Code of Practice – Procedures at Meetings, requests that the General Manager append the following documents, as tabled at the Audit & Risk Committee Meeting of 10 June 2026, to the minutes of this meeting:
   a. Item 9.1 – Appendix 1- Updated FOGO Spreadsheet.

Seconded: Ms N Caon **Carried**

9.2 2026/27 Annual Plan & Budget

To present the Audit & Risk Management Committee (Committee) with feedback received from Constituent Councils on East Waste's draft 2026/27 Annual Plan and Budget, to inform the Committee's recommendation to the Board for adoption.

Discussion

The Committee noted that an Absolute Majority of the East Waste Constituent Councils have approved the East Waste Annual Plan and recommend the draft East Waste Plan and Annual Budget be presented to the East Waste Board for adoption.

The Committee reviewed the feedback on the Annual Plan provided by the Constituent Councils and sought clarification on the provisions within the Service Level Agreements for recording discretionary services to which the Constituent Councils had agreed.

There was discussion as to whether the amounts allocated in the 2026/27 Budget for fuel were adequate given the ongoing fuel shortages. The General Manager advised the Committee that he is in regular communication with the CEOs of the Constituent Councils regarding the price of fuel and the impact of fuel costs on the business. The Committee requested that future budgets include greater detail on how fuel cost estimates are calculated.

The Committee also expressed concern about the impact of the March Consumer Price Index (CPI) of 4.9%, as this will affect wage increases under the Enterprise Agreement.

The Committee requested that the risks associated with the increased cost of fuel and increased cost of wages beyond the budgeted 3.5% be highlighted to the Board.

Resolution

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

1. notes that in accordance with clause 53.3 of the East Waste Charter that an Absolute Majority of East Waste's Constituent Councils have approved the East Waste 2026/27 Annual Plan *(Item 9.2, Attachment B, Audit & Risk Management Committee Meeting 10 June 2026).*
2. requests that page 30 of the Annual Plan be amended to include the missing strategy at #4.
3. recommends that the East Waste Board notes the following matters:
   a) that the fuel budget documented in the 2026/27 Budget is potentially inadequate due to the current rate of fuel.
   b) that the wages budget documented in the 2026/27 Budget is potentially inadequate as the March Consumer Price Index was forecast at 3.5% but was 4.9%.
4. give due consideration to amending the 2026/27 Budget to reflect increased fuel and wages costs.
5. recommends that the East Waste Board, having considered the need to amend the 2026/27 Budget, adopts the draft East Waste 2026/27 Annual Plan and Budget, as provided in Attachment A (Item 9.2, Audit & Risk Management Committee Meeting 10 June 2026) subject to the minor amendments as requested by the Committee.

Seconded: Mr F Bell **Carried**

9.3 East Waste Working Capital Assessment

To inform the East Waste policy updates, specifically the Treasury Management, Rebate and Distribution and Budget Framework, it was necessary to conduct a review into the appropriate level of working capital to be held by East Waste. The methodology and considerations behind the outcome of this review are presented to the Audit & Risk Management Committee for consideration and comment prior to presentation to the East Waste Board for adoption.

Discussion

The General Manager presented a working capital assessment proposing that East Waste hold six weeks of working capital.

The Committee recommended that the proposal be amended to reflect that as part of each formal Budget Review, should the end of year cash holdings be forecast to be in excess of six weeks.

The Committee suggested that Administration monitor the cash balance over the next 12 months, paying attention to the daily cash balance and at the next review of this policy *present a report to the Committee reflecting the minimum and maximum daily cash balances.*

The timeliness of Constituent Council payments was discussed, noting that payment terms have been extended from 14 to 30 days.

Administration intends seeking permission from the East Waste Board to reinstate the Cash Advance Debenture (CAD) from the Local Government Finance Authority at the June 2026 meeting. The Chair provided an overview of the history of East Waste's CAD as a treasury management strategy.

Mr A Veloor left the meeting at 5.17 pm.

Mr A Veloor returned to the meetings at 5.20 pm.

Resolution

Moved Ms N Caon that the Audit & Risk Management Committee having considered the Working Capital Assessment, Item 9.3, Attachment A, Audit & Risk Management Committee Meeting 10 June 2026:

1. Provides the following feedback:

a) That Administration monitor the cash balance over the next 12 months, paying attention to the daily cash balance and at *the next review of this policy* present a report to the Committee reflecting the minimum and maximum daily cash balances.

b) The Working Capital Assessment be amended to reflect that a recommendation on expenditure / dispersion would be put to the Board as part of each budget review if the end of financial year cash holdings are forecast to be in excess of six weeks.

c) Potential rebates to Constituent Councils should be reflected in East Waste's Long Term Financial Plan.

2. Recommends that the East Waste Board adopt the recommended six-week working capital position.

3. Recommends that the East Waste Board approve reinstatement of the $1million Cash Advance Debenture.

4. In accordance with clause 4.8 of the Eastern Waste Management Authority Code of Practice – Procedures at Meetings, requests that the General Manager append the following documents, as tabled at the Audit & Risk Committee Meeting of 10 June 2026, to the minutes of this meeting:

a) Item 9.3 – Appendix 1 – Working Capital Assessment — Supporting Cash Flow Analysis.

b) Item 9.3 – Appendix 2 – Cash Advance Debenture (CAD) Facility — Additional Information.

Seconded: Mr F Bell **Carried**

9.4 Review of Budget Framework Policy

The East Waste Budget Framework Policy has undergone a scheduled review and was presented to the Audit & Risk Management Committee for consideration and comment prior to presentation to the East Waste Board for adoption.

Discussion

The Committee noted that the East Waste Board has not yet approved the Working Capital Assessment (WAC) presented at Item 9.3 of this agenda. As such the revised Budget Framework Policy does reflect the WAC.

The Committee sought an explanation as to timeframes applied for calculating invoices. Previously invoices were calculated on costings from the previous 12 months. This resulted in significant changes to invoices in the current financial year. The Constituent Councils requested monthly invoicing to achieve a more sensitive adjustment. The intricacies of the cost recovery method were discussed, with emphasis on ensuring that only users of services should pay for the service and that these costings should be stipulated within the individual Service Level Agreements.

Resolution

Moved Ms Caon that the Audit & Risk Management Committee having considered the revised Budget Framework Policy, Item 9.4, Attachment A, Audit & Risk Management Committee Meeting 10 June 2026:

1. Provides the following feedback:
   a. Requests that the term ‘Member Councils’ be amended to ‘Constituent Councils’ to reflect the terminology of the East Waste Charter.
   b. Requests that the references to Services to Non-Constituent Councils be amended to ‘Non-core Activities’ to reflect the terminology of the East Waste Charter.
   c. Requests that the term ‘Non-Constituent Councils be amended to reflect the definition provided at clause 3 of the revised Budget Framework Policy.
   d. That clause 10 and clause 11.2 of the revised Policy, ‘Review of the Comment Fleet Charges’ be amended to reflect that this clause takes effect from 1 July 2027.
2. Recommends that the East Waste Board adopt the revised Budget Framework Policy inclusive of the amendments as requested by the Committee.

Seconded: Ms L Green **Carried**

9.5 Review of Treasury Management Policy

The East Waste Treasury Management Policy has undergone a scheduled review and was presented to the Audit & Risk Management Committee for consideration and comment prior to presentation to the East Waste Board for adoption.

Discussion

The Committee noted a lack of a refence to risks associated with variable and fixed interest rates in the revised Policy. Current practice is to borrow on a fixed rate unless the East Waste Board otherwise approves. The Committee requested that clause 1.3 of the revised Policy be amended to read that interest rate risks and other risks are acknowledged and responsibly managed. This and other amendments requested by the Committee are included in the resolution.

It was also noted that the current version of the current Policy stipulates that surplus funds must be paid to the Constituent Councils in line with the provisions of the East Waste Charter. The Committee requested that an explanation, be included within the report to the East Waste Board as to why this clause has been removed. Administration explained that clause is included within the Budget Framework Policy and Member Council Rebate and Distribution Policy.

The Committee requested that any future policy amendments be provided in both a marked-up and a clean version, with all changes clearly identified in the marked-up copy. Changes to policies need to be clearly articulated in the version history.

<u>Resolution</u>

Moved Ms N Caon that the Audit & Risk Management Committee having considered the revised Treasury Management Policy, Item 9.4, Attachment A, Audit & Risk Management Committee Meeting 10 June 2026:

1. Provides the following feedback:
    a. That amendments requested to the Working Capital Assessment and Budget Framework Policy be reflected, as relevant, in the revised Treasury Management Policy.
    b. That an explanation be provided to the East Waste Board as to why the stipulation that surplus funds be returned to the Constituent Councils has been removed from the revised Policy.
    c. That clause 1.3 of the revised Policy be amended to read that interest rate risks and other risks are acknowledged and responsibly managed.
    d. Clause 3.2.1 be amended to remove ambiguity and to detail how short-term planning differences in cash flow are managed.
    e. An additional clause be included between clauses 3.3.2 and 3.3.3 to specify that borrowings may not be drawn down in advance of requirements. The timing of borrowings must be aligned to the timing of the payments of the item for which the borrowing has been approved.
    f. That Administration notes that the revised Policy will require amendment should the East Waste Board not approve the reinstatement of the Cash Advance Debenture.
2. Recommends that the East Waste Board adopt the revised Budget Framework Policy.

Seconded: Mr F Bell **Carried**

The Chair sought and was granted leave of the meeting to bring forward Item 9.8 Draft Constituent Council Compensation Policy.

9.8 Draft Constituent Council Compensation Policy

This report outlines the Draft Constituent Council Compensation Policy's purpose, structure and governance so the Audit & Risk Management Committee (Committee) can assess its effectiveness and alignment with East Waste's risk framework.

The Policy provides a consistent, lawful approach to receiving, assessing, and resolving claims from the Authority's Constituent Councils arising from East Waste's activities while balancing fairness to claimants with prudent stewardship of public funds. It operates alongside the Local Government Act 1999, the East Waste Charter, delegations, insurance arrangements, and existing policies.

Given that liabilities of the Authority are guaranteed by the Constituent Councils and shared in proportion to their respective Share, the Policy embeds strong controls, clear approval pathways, insurer interface, and transparent reporting to the Committee and the East Waste Board. This report focuses on strategic guardrails (assessment governance, determination outcomes, and ex gratia usage), key timeframes and metrics, and the oversight roles of management, the Committee, and the East Waste Board.

The draft Constituent Council Compensation Policy was presented to the Audit & Risk Management Committee for consideration and comment prior to presentation to the East Waste Board for adoption.

Short – Term Suspension of Meeting Procedures

At 6.12 pm, in accordance with clause 4.10 of the Eastern Waste Management Authority Code of Practice – Procedures at Meeting, the Chair sought and was granted leave of the meeting to suspend meeting procedures for a period of 10 minutes in order for the Committee to a full and frank discussion on the proposed Constituent Council Compensation Policy.

Discussion

The Committee discussed the practicalities and risks associated with the East Waste Board adopting the Draft Constituent Council Compensation Policy as presented and stated that while the draft Policy was well structured they could not support the underlying concept. It was requested that a simpler approach to managing underperformance of East Waste be presented to the September meeting of the Committee.

Meeting Procedures resumed at 6.21 pm.

Resolution

Moved Mr F Bell that the Audit & Risk Management Committee having considered the draft Constituent Council Compensation Policy, (Item 9.8, Attachment A, Audit & Risk Management Committee Meeting 10 June 2026), do not support the content and that request that a simpler approach, with suitable administrative procedures be presented to the September meeting of the Committee.

Seconded: Ms L Green **Carried**

Mr F Bell left and did not return to the meeting at 6.22 pm.

The Chair sought and was granted leave of the meeting to bring forward Item 9.11 – Information Report, Item 9.10 - Internal Audit Recommendation Progress Tracking and Item 9.9 Review of Delegated Powers.

9.11 Information Report

The Information Report presents updates on standing items and other items that are relevant to the Audit & Risk Management Committee's Terms of Reference.

Discussion

The General Manager provided an overview of the East Waste Contracts Register as presented at Attachment D to Item 9.11.

<u>Resolution</u>

Moved Mr A Wiguna that the Audit & Risk Management Committee receives and notes the Information Report as presented on 10 June 2026.

Seconded: Ms L Green **Carried**

9.10 Internal Audit Recommendation Progress Tracking

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.

Discussion

The Committee were advised that the Chair of the Committee will work with UHY Haines Norton to finalise the outstanding Payroll Audit and Business Continuity Plan Audit. The General Manager advised that Administration had commenced a review of the Business Continuity Plan based on initial feedback from the Internal Audit process.

<u>Resolution</u>

Moved Ms L Green 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 9.10, Audit & Risk Management Committee Meeting, 10 June 2026).

Seconded: Ms N Caon **Carried**

9.9 Review of Delegated Powers

The purpose of this report is to present a revised delegated authority framework for the consideration of the Audit & Risk Management Committee, ensuring compliance with relevant legislation, the Eastern Waste Management Authority Charter and good governance principles.

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

Discussion

The Committee provided feedback on the formatting of the document to enhance the readability of the instrument. The Committee also suggested that the General Manager may need to rely on clause 75 of the East Waste Charter, which confers powers relating to the settlement of disputes, given the likely need to resolve matters of discontent.

Resolution

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

1. notes that Administration have conducted a comprehensive review of the Instruments of Delegation.
2. recommends that the East Waste Board delegates the powers and functions under the East Waste Charter dated 12 June 2022 and specified in the proposed Instruments of Delegation as amended, contained in Attachment A, Item 9.11 Audit & Risk Management Committee Meeting 10 June 2026, to the person's occupying the position detailed in the proposed Instrument of Delegation subject to the conditions and/or limitations specified herein or in the Schedule of Conditions in the proposed Instrument of Delegation.
3. notes that this instrument of Delegation works in conjunction with the East Waste Charter, the Internal Controls and Policies.

Seconded: Mr A Wiguna **Carried**

Formal Motion

Moved Ms L Green that the meeting of the Audit & Risk Management Committee of 10 June 2026 be adjourned to at time and place to be determined.

Seconded: Mr A Wiguna **Carried**

10. Closure

The Chairperson declared the meeting closed at 6.39 pm.

11. The next Ordinary Audit & Risk Management Committee Meeting is proposed to be held at 4 pm on 10 June 2026 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 10 June 2026.

Chairperson

Date / /

All FOGO - NO OPT OUT					
Council	Per Fortnight Extra hou	Fornights in Year	Total Extra Hours	Cost per hour	Total Extra Cost
CampbellTown	17.5	26	455	170	77,350.00
Burnside	17.5	26	455	170	77,350.00
Mitcham	0	26	0	170	-
NPSP	12.5	26	325	170	55,250.00
Prospect	0	26	0	170	-
Unley	15	26	390	170	66,300.00
walkerville	2.5	26	65	170	11,050.00
Adelaide Hills	74	26	1924	170	327,080.00
			3,614		$ 614,380.00

Campbelltown – 3.5 daily runs per fortnight = 17.5
Burnside – 3.5 daily runs per fortnight = 17.5
Mitcham – no change if they do their own organics collection
NPSP – 2.5 daily runs per fortnight = 12.5
Prospect – No real change, currently REC split anyway
Campbelltown – 3.5 daily runs per fortnight = 17.5
Unley – 3 daily runs per fortnight = 15
Walkerville – .5 daily runs per fortnight = 2.5

All FOGO - WITH OPT OUT						
Council	ALL FOGO Extra hours	OPT OUT HOUR	Per fornight	Total OPT OUT Extra hrs For year	Total Extra hours with OPT OUT for ALL FOGO	Cost per hours
		Hrs Per day				
CampbellTown	455	8	40	1040	1495	254150
Burnside	455	8	40	1040	1495	254150
Mitcham	0	0	0	0	0	0
NPSP	325	6	30	780	1105	187850
Prospect	0	4	20	520	520	88400
Unley	390	6	30	780	1170	198900
walkerville	65	2	10	260	325	55250
Adelaide Hills Rural						
Adelaide Hills Township	1924	5.2	26	676	2600	442000
	3,614			5,096		$ 1,480,700.00

in the off week

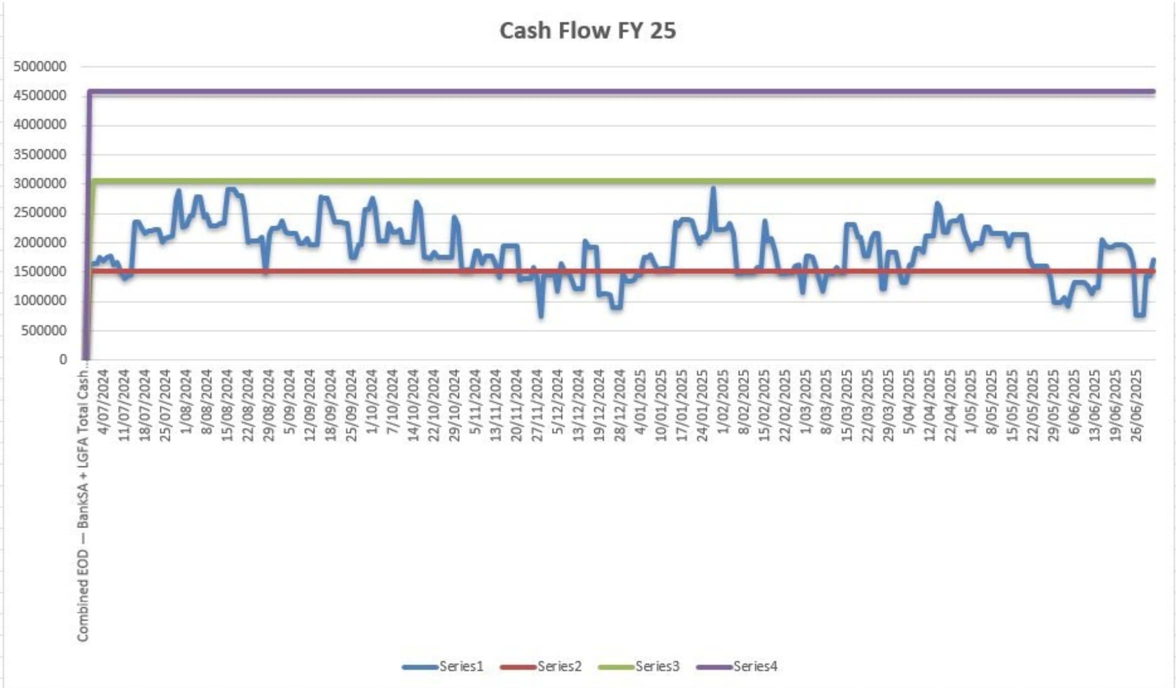
Working Capital Assessment — Supporting Cash Flow Analysis

This document has been prepared in response to feedback received from the Audit and Risk Management Committee (ARMC) requesting additional information to support EW's recommended working capital position of 6 weeks of total common fleet charges, equivalent to approximately $2.2 million based on current charge levels.

To substantiate this position, EW has analysed its combined daily cash balance — comprising both BankSA and LGFA account balances — across FY2025, FY2026, and a forward projection for FY2027. Each chart below presents the daily cash movement against three reference thresholds representing one, two, and three months of cash holding. This analysis demonstrates the cash flow highs and lows experienced across each period and confirms that the 6-week buffer is both necessary and appropriate to ensure EW maintains a positive cash position at all times.

The following sections provide commentary on each year in turn.

FY2025 — Cash Flow Analysis

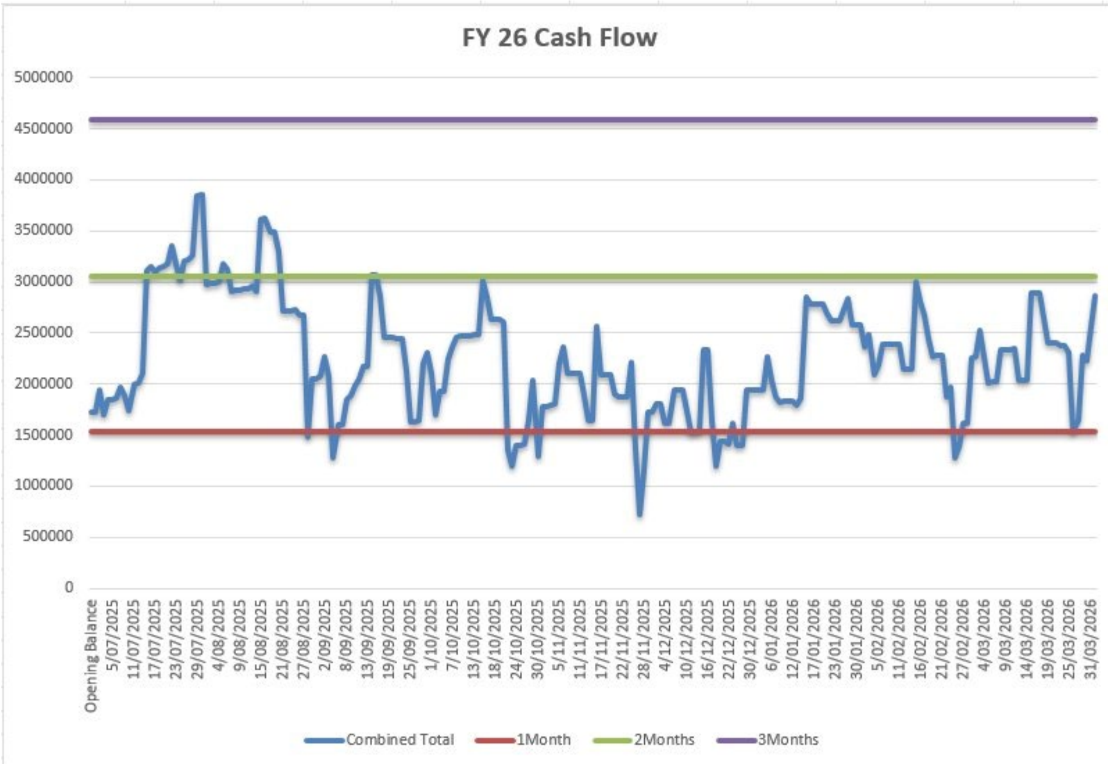


The FY2025 chart presents EW's actual combined daily cash balance from July 2024 to June 2025. Throughout the year, the cash balance generally tracked between the 1-month and 2-month holding thresholds, reflecting EW's relatively stable and predictable expenditure profile.

The most significant drawdown occurred in November 2024, where the cash balance approached and briefly fell near the 1-month threshold of approximately $1.5 million. A second notable dip occurred in late June 2025 at year end. Both instances highlight the importance of maintaining the 6-week buffer, as without it the cash balance would have risked falling into a negative position during these periods.

Outside of these pressure points, the cash balance recovered consistently, reinforcing the view that EW's cash flow is predictable and manageable within the proposed working capital framework.

FY2026 — Cash Flow Analysis

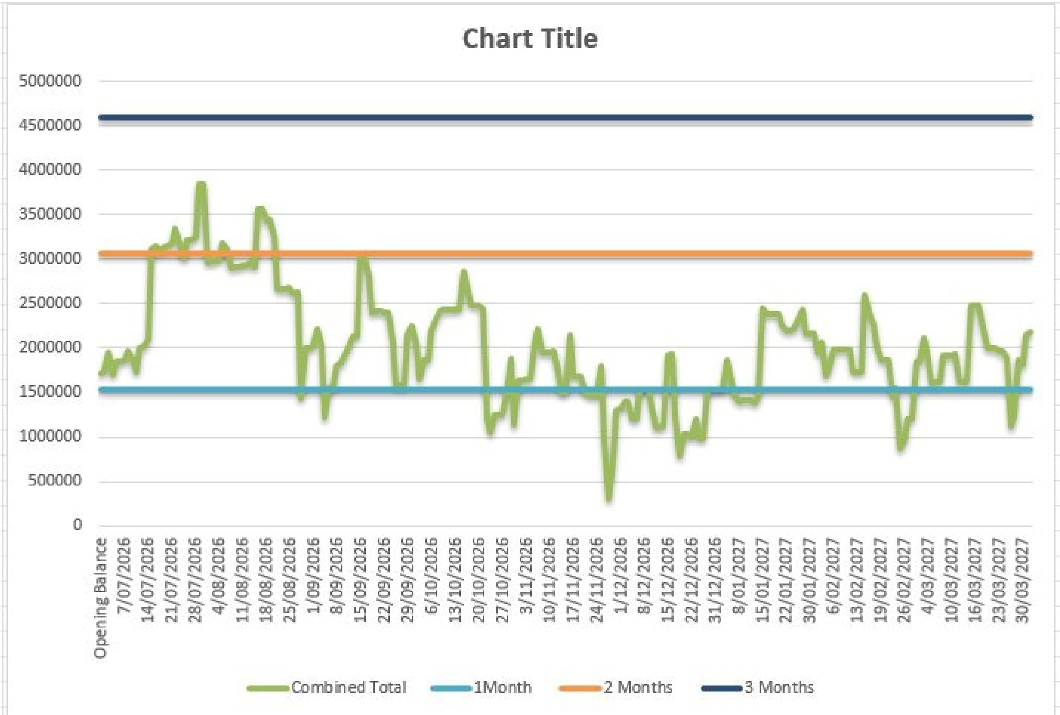


The FY2026 chart presents EW's actual combined daily cash balance from July 2025 to March 2026, reflecting the period for which data was available at the time of this analysis. The cash balance pattern is broadly consistent with FY2025, again tracking predominantly between the 1-month and 2-month holding thresholds.

A notable drawdown is again observed in November 2025, where the cash balance fell to its lowest point of the year, dipping below the 1-month threshold of approximately $1.5 million. This recurring pressure point in November — observed across both FY2025 and FY2026 — is consistent with the timing of significant expenditure obligations and reinforces the need for a working capital buffer of at least 6 weeks.

The cash balance recovered strongly in the months following the November low and was tracking above the 1-month threshold through to March 2026, providing confidence in EW's overall cash management position.

FY2027 — Forward Cash Flow Projection



The FY2027 chart presents a forward cash flow projection incorporating EW's transition from quarterly invoicing in advance to monthly invoicing in advance, new truck loan repayments, and budgeted capital expenditure. The projection has been deliberately constructed on a conservative, stress tested basis.

Budgeted capital expenditure has been assumed to fall within October and November, coinciding with the major loan repayment period, to model the most significant cash pressure scenario. In practice, EW's capital expenditure is likely to be incurred across a different timeframe, which would reduce this drawdown. Additionally, incoming payments from all 8 constituent councils have been spread across different weeks of the month, consistent with payment trends observed in prior years.

Despite these conservative assumptions, the projected cash balance remains above the 1-month threshold throughout the year, recovering promptly from the October/November low. This confirms that the 6-week working capital buffer ($2.2M) is sufficient to absorb EW's most challenging cash flow period, even under a stress tested scenario.

Conclusion

Across all three years, the cash flow analysis consistently demonstrates that EW's combined daily cash balance is subject to periodic but predictable drawdowns, most notably in November each year. The 6-week working capital buffer of approximately $2.2 million ensures that EW maintains a positive cash position through these pressure periods without requiring recourse to external facilities.

EW is satisfied that the 6-week working capital position is both prudent and well-supported by the historical and projected cash flow data, and respectfully recommends that the ARMC endorse this position as part of EW's financial governance framework.

Cash Advance Debenture (CAD) Facility — Additional Information

In response to the Committee's queries regarding the proposed $1 million Cash Advance Debenture (CAD) facility, EW provides the following information.

Undrawn Facility Fees

The LGFA does not charge fees for its lending services. There are no undrawn facility fees applicable to the CAD facility. Interest is only charged on the balance drawn down at any given time, making it a cost-effective contingency instrument for EW to hold in reserve.

Current Interest Rates

As at 2 June 2026, the indicative interest rates applicable to LGFA lending products are as follows:

- Cash Advance Debenture (variable, overnight): 5.85%
- Fixed Rate Credit Foncier (10 years): 6.30%
- Fixed Rate Credit Foncier (15 years): 6.45%

Export

Rate Type: CASH ADVANCE DEBENTURE - VARIABLE

Effective Date: 2026-06-02

RATE TYPE	RATE TERM	EFFECTIVE DATE	INDICATIVE INTEREST RATE	ACTIONS
Cash Advance Debenture - Variable	Overnight	02/06/2026	5.85%	

10

Showing 1 to 1 of 1 Results

Figure 1 — Current LGFA Cash Advance Debenture variable rate as at 2 June 2026, sourced directly from the LGFA member portal.

Export

Rate Type: FIXED RATE - AMORTISING (CREDIT FONCIER)

Effective Date: 2026-06-02

RATE TYPE	RATE TERM	EFFECTIVE DATE	INDICATIVE INTEREST RATE	ACTIONS
Fixed Rate - Amortising (Credit Foncier)	1 year	02/06/2026	5.78%	
Fixed Rate - Amortising (Credit Foncier)	2 years	02/06/2026	5.83%	
Fixed Rate - Amortising (Credit Foncier)	3 years	02/06/2026	5.90%	
Fixed Rate - Amortising (Credit Foncier)	4 years	02/06/2026	5.94%	
Fixed Rate - Amortising (Credit Foncier)	5 years	02/06/2026	6.16%	
Fixed Rate - Amortising (Credit Foncier)	10 years	02/06/2026	6.30%	
Fixed Rate - Amortising (Credit Foncier)	15 years	02/06/2026	6.45%	

10

Showing 1 to 7 of 7 Results

Figure 2 — Current LGFA Fixed Rate Credit Foncier indicative rates across all terms as at 2 June 2026. The 10-year rate of 6.30% is highlighted for reference as EW's typical borrowing term for fleet assets.

EW's Recommendation — CAD as a Preferred Instrument in the Current Rate Environment

EW notes that the current interest rate environment presents an important consideration for future borrowing decisions. EW's existing loan portfolio was largely established when LGFA rates were significantly lower, with rates on existing facilities ranging between 1.70% and 5.90%. Locking in new fixed rate borrowings at current levels — for example, 6.30% over 10 years — would represent a materially higher cost of debt than EW's historical average.

Counterparty	Deal	Deb. No.	Orig. Principal	Rate	Instalment Date	Instalment	Principal	Interest	Current Principal
East Waste DL	58080	13	-$2,170,966.00	2.55%	17/08/2026	$150,855.71	$143,401.19	$7,454.52	-$584,668.55
East Waste DL	59227	14	-$2,284,000.00	1.70%	15/10/2026	$153,281.86	$146,930.26	$6,351.60	-$747,246.98
East Waste DL	60332	16	-$2,030,476.00	3.10%	16/11/2026	$144,266.72	$129,540.83	$14,725.89	-$950,057.63
East Waste DL	61038	17	-$2,853,000.00	5.55%	19/10/2026	$223,240.89	$174,496.36	$48,744.53	-$1,756,559.57
East Waste DL	61276	18	-$1,672,000.00	5.65%	17/08/2026	$131,334.91	$99,401.52	$31,933.39	-$1,130,385.66
East Waste DL	62177	19	-$1,377,219.00	5.88%	15/06/2026	$109,139.27	$77,085.21	$32,054.06	-$1,090,274.10
East Waste DL	62266	20	-$777,781.00	5.90%	17/08/2026	$61,683.36	$43,516.28	$18,167.08	-$615,833.10
East Waste DL	63130	21	-$2,178,539.00	5.50%	16/11/2026	$170,137.57	$119,573.91	$50,563.66	-$1,838,678.61
East Waste DL	64779	22	-$3,390,000.00	5.16%	15/10/2026	$261,289.93	$178,312.69	$82,977.24	-$3,216,172.07
Totals						**$1,405,230.22**	**$1,112,258.25**	**$292,971.97**	**-$11,929,876.27**

Figure 3 — EW's current LGFA loan portfolio, illustrating the fixed rates locked in on existing facilities. The contrast between these historical rates and current market rates underscores the case for maintaining flexibility through the CAD rather than committing to new fixed rate borrowings at this time.

In this context, the CAD facility offers a strategically flexible alternative. As a floating rate instrument, the CAD rate will move in line with market conditions. Should interest rates moderate over the coming years, the cost of the CAD will reduce accordingly — whereas a fixed rate loan entered into today would remain at the higher locked-in rate for its full term.

EW therefore recommends that, in addition to its primary purpose as a liquidity backstop, the $1 million CAD facility be considered as part of EW's broader approach to managing its cost of borrowing going forward.

Ongoing Monitoring Framework

EW is committed to actively monitoring its cash flow position to ensure the best possible financial outcome. This will involve ongoing assessment of the interplay between:

- The 6-week working capital buffer ($2.2M)
- The $1 million CAD facility
- EW's LGFA investment account

By managing these three instruments in conjunction, EW will be well positioned to optimise its liquidity, minimise its cost of funds, and respond to changing market conditions in a timely manner. This monitoring will form part of EW's annual working capital review.