Eastern Waste Management Authority
Audit & Risk Management Committee Meeting

Agenda

Wednesday 11 November 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
commencing at 3 pm.

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.



EastWaste

Agenda

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

Meeting to be held on Wednesday 11 November 2026 commencing at 3 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 16 September 2026 be confirmed as a true and correct record.

6. Matters arising from the Minutes

7. Questions Without Notice

8. Presentations

9. Reports

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10. Confidential Reports

Nil.

11. Other Business

11.1 Resignation of Ms Linda Green from the Committee

12. Next Meeting of the Board

The next Ordinary Audit & Risk Management Committee Meeting is proposed to be held on:
Wednesday 10 February 2027 at 4 pm, at the City of Prospect, 128 Prospect Road, Prospect.

13. Closure of Meeting

Eastern Waste Management Authority
Ordinary Audit & Risk Management Committee

Minutes

Wednesday 16 September 2026

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Minutes

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

Meeting to be held on Wednesday 16 September 2026 commencing at 4.00 pm,
HenderCare, Level 4/81 Flinders Street, Adelaide.

Welcome

The Chair, Mrs E Hinchey, declared that a quorum was present and opened the meeting at 4 pm.

1. Acknowledgement of country

With the opening of the meeting the Chair stated:

We would like to acknowledge that the land that some of us 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

Committee Members:

Mrs E Hinchey	Independent Chairperson
Mr F Bell	East Waste Board Representative
Ms N Caon	Independent Member
Ms L Green	Independent Member
Mr A Wiguna	East Waste Board Representative

In Attendance:

Mr L Leyland	General Manager
Ms K Vandermoer	Acting Manager Business Services
Mr A Veloor	Finance Business Partner
Ms V Davidson	Principal Consultant, Clearly Strategic
Mr T Muhlhausler	Director, Galpins.

3. Apologies

Nil.

4. Disclosures of interest

Ms L Green declared a material conflict of interest in Item 9.4 Review of Fleet Asset Management Plan & Strategy 2027-2036 as her son in law works for a company that supplies trucks to East Waste.

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5. Confirmation of the minutes

5.1 Moved L Green that the Minutes of the Eastern Waste Management Authority Ordinary Audit & Risk Management Committee Meeting held on held on 10 June 2026 be confirmed as a true and correct record.

Seconded: Ms N Caon **Carried**

5.2 Moved Mr F Bell that the Minutes of the Eastern Waste Management Authority Special Audit & Risk Management Committee Meeting held on held on 13 August 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 provided a verbal update as to the status of East Waste's contract and tenders, noting that the responses Waste Education Service Tender will be evaluated on 17 September 2026.

The Committee enquired as to the impact of the cost of fuel on the budget and recommended that Administration keep the Board informed regularly as to how the cost of fuel is tracking against the budget and the implications of variances in fuel pricing on the budget.

The General Manager was requested to provide an overview of the Artificial Intelligence (AI) contamination - detection pilot with the City of Mitcham. The Committee enquired if there is an AI policy in place and recommended that Administration implement an Acceptable Use of Artificial Intelligence Policy in order to provide guidance to employees.

The Committee enquired if East Waste had an escalation process for 'high risk incidents'. The General Manager advised that such incidents are not currently reported to the Board

unless they are Notifiable Incidents. The Committee suggested that Administration should consider a definition of high-risk incidents and develop an appropriate notification / escalation plan including consideration of reporting high-risk incidents to the Board.

The Committee were provided an update on the FOGO trials; including the fact that two vehicles that are scheduled for disposal will be retained to assist with FOGO delivery.

The Committee noted that labour capacity is at its practical maximum and requested an explanation as to how this will be managed. The Committee requested that salary and overtime expenditure tracking against budget be provided to the Committee as part of Budget Review One.

Resolution

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

1. notes the General Manager's Report as presented on 16 September 2026.
2. recommends that Administration provide a report to each meeting of the East Waste Board advising how the cost of fuel is tracking against the budget.
3. recommends that Administration develop an Acceptable Use of Artificial Intelligence Policy to guide East Waste employees.

Seconded: Ms L Green **Carried**

9.2 Audited Financial Statements for the Year Ended 30 June 2026

The Audit & Risk Management Committee were provided the opportunity to review and comment on the prepared Financial Statements for year ending 30 June 2026 prior to presentation to the East Waste Board.

Discussion

Mr Tim Muhlhausler, provided an overview of the external audit process, noting that it was smooth process and the auditors evidenced ongoing improvements in controls and financial oversight.

The Committee requested that in accordance with Regulation 20 of the Local Government (Financial Management) Regulations 2026 that Management leave the room in order for the Committee to have a confidential discussion with the external auditor.

Mr L Leyland, Mr A Veloor, Ms K Vandermoer and Ms V Davidson left the meeting at 4.35 pm.

Mr L Leyland, Mr A Veloor, Ms K Vandermoer and Ms V Davidson returned to the meeting at 4.55 pm.

The Committee reported that Mr Muhllhausler reiterated the audit was a very smooth process and that management were very cooperative and it was a great introduction of Aneesh into the team. No issues of concern were identified.

The Chair of the Committee asked Mr Muhlhausler if he could confirm his independence in conducting the audit.

Mr Muhlhausler responded in the affirmative.

The Committee on examining the financial statements identified that East Waste does not have a strong position as stated on the paper but rather, the statements demonstrate declining liquidity. East Waste's cash position is weakening, in part because of the rising and uncertain cost of fuel.

Management advised the Committee that the Board, at this time have not approved the use of a cash advance debenture facility. The borrowings in the financial statements represent separate borrowings for the purchase of new trucks.

The Committee interrogated the increase of 12.5% in maintenance costs and the 13.3% increase in senior management salary costs. The General Manager reported that maintenance costs are likely to be similar in 2026/27 due issue with the trucks. The additional cost has been accounted for in the current budget. The additional costs in the senior management team were a result of vacancy in the prior year during the changeover of General Manager and associated backfill appointments.

The Committee identified that Note 9, the liquidity analysis, is missing the contractual lease information and that the Financial Statements do not reflect any capital commitments as of 30 June 2026. Administration and Galpins were requested to review these two matters.

Resolution

Moved Ms N Caon that the Audit & Risk Management Committee:

1. receive and note the draft FY2026 audited Financial Statements as presented in Attachment A (*Agenda Item 9.2, Audit & Risk Management Committee Meeting, 16 September 2026*) and the Management Representation Letter as presented in Attachment C (*Agenda Item 9.2, Audit & Risk Management Committee Meeting, 16 September 2026*) and recommend both documents for presentation to the East Waste Board.
2. receive the draft Independent Audit Completion Report as presented in Attachment B (*Agenda Item 9.2, Audit & Risk Management Committee Meeting, 16 September 2026*).

Seconded: Mr F Bell **Carried**

Mr T Muhlhausler left the meeting at 5.09 pm.

9.3 Regulation 10 Financial Report

The Audit and Risk Management Committee were provided with a Report on the previous financial year performance (FY26) against budget as required by Regulation 10 of the Local Government (Financial Management) Regulations 2011.

Discussion

The Committee requested that the report contain a short narrative explaining the movement from the adopted operating surplus of $152K to the deficit of $383K. Additionally, the Committee identified that the reports show $2.363M of Other Income as a Net Gain on Equity accounted/ joint venture – this appears to be an error and needs to be remedied.

The increase from BR3 in expenditure in assets to $179K is to be investigated with the reason to be communicated to the Committee by email.

The Committee also identified that the lease liabilities were not budgeted for or reported on during any of the budget reviews. The amount had been recorded under borrowings.

Resolution

Moved Mr F Bell that the Audit & Risk Management Committee recommends to the East Waste Board that the Regulation 10 Financial Report, as presented in Attachment A (Item 9.3, Audit & Risk Management Committee Meeting 16 September 2026) be adopted.

Seconded: Ms N Caon **Carried**

9.4 Review of Fleet Asset Management Plan & Strategy 2027-2036

Ms L Green declared a material conflict of interest in this item as her son in law works for a company that maintains East Waste's trucks. Ms Green left the meeting at 5.16 pm and did not participate in the debate and nor did she vote in the matter.

The Audit & Risk Management Committee were provided with the opportunity to review and provide feedback on the revised Fleet Asset Management Plan & Strategy 2027-2036 prior to presentation to the East Waste Board.

Discussion

The Committee have requested that a summary page be included at the front of the draft Fleet Asset Management Plan & Strategy 2027-2036 (FAMP).

The Committee discussed the necessary alignment of the Long-Term Financial Plan and the FAMP with both documents forming part of the Business Plan.

The Committee requested the inclusion of some forward planning regarding the number and types of trucks that will be required in the future given the amount of infill housing, and difficulties associated with property access. Recognising that we live in a dynamic environment, the FAMP and the Long-Term Financial Plan will both need to be amended to accommodate the future environment.

The Committee suggested that Administration include a comment to the foreword of the FAMP detailing that they are currently testing the eight (8) year lifespan of trucks.

The calculation for the price of future fuel prices was interrogated by the Committee. The Committee requested that Administration conduct a sensitivity analysis on the price of fuel recognising the price of fuel is likely to remain high. Scenarios should be presented to the East Waste Board for their evaluation.

Administration provided an overview of how the residual price of the trucks was calculated.

The Committee enquired about utilisation of fleet and the possibility of recording against expected usage in the FAMP. Administration agreed to review the presentation of this information.

The Committee requested that the Risk Table be updated to clearly reflect whether the risks documented are inherent or residual, what treatments are applied and how the risks

will be monitored. The Committee recommended that the Board review the Risk Table and are asked to resolve as to whether they are willing to accept the risks as documented.

Resolution

Moved Ms N Caon that the Audit & Risk Management Committee recommend to the East Waste Board that the revised East Waste Fleet Asset Management Plan & Strategy 2027-2036, as presented in Attachment A (*Item 9.4, Audit & Risk Management Committee Meeting, 16 September 2026)*, be adopted subject to amendments as recommended by the Committee.

Seconded: Mr F Bell **Carried**

Ms L Green returned to the meeting at 5.45 pm.

9.5 Draft East Waste Annual Report 2025/26

The draft East Waste Annual Report 2025/26 was presented to the Audit & Risk Management Committee for review and consideration, and to seek the Committee's feedback and endorsement for the draft report to proceed to the Board, subject to any amendments arising from the Committee's recommendations.

The Annual Report is a statutory requirement under the Local Government Act 1999 and provides a transparent account of East Waste's governance, performance and financial outcomes for the year ended 30 June 2026.

Discussion

The Committee discussed the focus areas of the Annual Report for which they have responsibility. The Committee suggested the following amendments to the Annual Report:

- *include mention of anticipated changes to the costing methodology in the Looking Ahead section of the Annual Report.*
- *wording relating the strong balance sheet be reworded to say, 'East Waste has an improved cash position'.*
- *the risks contained within the Challenges and Opportunities section are be included in FAMP.*

Resolution

Moved Ms N Caon that the Audit & Risk Management Committee:

1. notes the draft East Waste Annual Report 2025/26 (*Attachment A Item 9.5, Audit & Risk Management Committee Meeting, 16 September 2026*).
2. approves the draft Annual Report from the Audit & Risk Management Committee.
3. reviews the sections of the draft Annual Report relevant to the Committee's responsibilities, including governance, risk, controls, assurance, audit, confidentiality, public interest disclosures and complaints.
4. provides any comments or recommended amendments to Administration.
5. recommends the draft East Waste Annual Report 2025/26 to the Board for adoption, subject to incorporation of any amendments endorsed by the Committee.

Seconded: Mr F Bell **Carried**

9.6 Review of Internal Audit Workplan

The Audit & Risk Management Committee was presented with a proposed revision to Year Two of East Waste's current Internal Audit Work Plan. The revised plan has been developed by UHY Haines Norton in consultation with East Waste administration following a review of available resourcing and organisational capacity to undertake internal audits during the 2026/27 financial year.

Discussion

The Committee noted that the East Waste Board is yet to develop a Risk Appetite Statement.

The Committee requested that Administration ask UHY Haines Norton to update the assurance map to include works undertaken to date

The Committee suggested delaying the internal audit for cybersecurity until Management had had an opportunity to implement requirements identified during their upcoming training.

Resolution

Moved Ms L Green that the Audit & Risk Management Committee notes the revised Internal Audit Work Plan as presented in Attachment A Item 9.6, Audit & Risk Management Committee Meeting, 16 September 2026.

Seconded: Mr F Bell **Carried**

9.7 Internal Audit Recommendation Progress Tracking

The Audit & Risk Management Committee were provided 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 sought clarification on who is responsible for closing actions on the progress tracking chart. Administration close off actions and UHY Haines Norton update the tracking sheet. The Committee requested that items be removed from the tracking sheet once the Committee has viewed that they have been recorded as completed, noting that the comments need to detail how the action was completed.

Administration were requested to review the expected completion dates of actions that are due shortly but work has yet to commence on the action..

Resolution

Moved Ms N Caon 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 9.7, Audit & Risk Management Committee Meeting, 16 September 2026*).

Seconded: Mr F Bell **Carried**

9.8 Revised Draft Audit & Risk Management Committee Terms of Reference

The revised Audit & Risk Management Committee Terms of Reference were represented for the Committee's review and consideration following the amendments requested at the special meeting of 13 August 2026. The revised draft now incorporates a Skills and Experience Matrix to support the composition of the Committee and a Committee-specific Code of Conduct to clarify the standards of behaviour, independence and governance expected of Independent Committee Members.

Discussion

The Committee expressed appreciation for the revised draft Code of Conduct of Independent Members of East Waste Board (Code). The differences between the process of submitting Returns for Independent Members and Board Directors were discussed. The process for receiving Independent Member Returns is to be amended to state that the Returns will be compiled into a Register by the General Manager.

The tenure of Committee Members was considered with the Committee recommending that Members be eligible to serve three three-year terms, rather than the current two-year terms. This meets best governance practice of a 10-year maximum term.

The Committee recommended that sections 2 and 3 of the revised draft code be revised to start in the same manner as section 1 with the wording 'Members must' and the wording be revised as appropriate.

The Committee discussed the implementation of the Skills & Experience Matric included at Appendix 1 to the revised Committee Terms of Reference.

Resolution

Moved Mrs N Caon that the Audit & Risk Management Committee:

1. notes the revised draft Audit and Risk Management Committee Terms of Reference inclusive of a Committee Skills and Experience Matrix and the Eastern Waste Management Authority Code of Conduct for Independent Committee Members.
2. endorses the proposed draft amendments to the Audit & Risk Management Committee Terms of Reference as shown in Attachment A, Item 9.8, Audit & Risk Management Committee Meeting, 16 September 2026 and recommends the revised draft Terms of Reference to the East Waste Board for adoption.
3. endorses the proposed East Waste Audit & Risk Management Committee Skills and Experience Matrix (*Attachment C, Item 9.8, Audit & Risk Management Committee Meeting, 16 September 2026*) and recommends the proposed Committee Skills and Experience Matrix to the East Waste Board for adoption.
4. endorses the Eastern Waste Management Authority Code of Conduct for Independent Committee Members (*Attachment D, Item 9.8, Audit & Risk Management Committee Meeting, 16 September 2026*) and recommends the Eastern Waste Management Authority Code of Conduct for Independent Committee Members to the East Waste Board for endorsement on completion of the review of the East Waste Charter.

Seconded: Mr F Bell **Carried**

9.9 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.

Motion

Moved: Ms L Green that the Audit & Risk Management Committee receives and notes the Information Report as presented on 16 September 2026.

Seconded: Ms N Caon **Carried**

10. Confidential Reports

10.1 Confidential – Interpretation of Charter – Working Capital

The Audit & Risk Management Committee were provided with legal advice regarding the interpretation of the East Waste Charter as it relates to Constituent Council contributions to working capital and the retention, use or return of surplus funds.

Recommendation 1

Moved Ms L Green

1. That pursuant to section 90(2) of the *Local Government Act, 1999* the Audit & Risk Management Committee orders that the public, with the exception of the East Waste General Manager, Leonard Leyland, East Waste Acting Manager Business Services, Services, Kelly Vandermoer, Finance Business Partner, Aneesh Veloor and Principal Consultant Clearly Strategic, Vanessa Davidson, be excluded from the meeting on the basis that the East Waste Board will receive, discuss and consider matters under sections 90(2)(a) and 90(3)(h).
2. The Audit & Risk Management Committee is satisfied that pursuant to sections 90(2)(a) and 90(3)(h) of the Act the information to be received, discussed or considered in relation to the agenda item contains legal advice.
3. Accordingly, the Audit & Risk Management Committee is satisfied that, the principle that the meeting should be conducted in a place open to the public, has been outweighed by the need to keep the receipt / consideration of the information confidential.

Seconded: Mr F Bell **Carried**

At 6.44pm the Chair sought and was granted leave of the meeting to suspend meeting procedures for 10 minutes in order to have a full and frank discussion on the content of the legal advice.

Meeting procedures resumed at 6.54 pm.

Recommendation 2

Moved Ms L Green that the Audit & Risk Management Committee receives the draft legal advice contained within Attachment A, Item 10.1 Interpretation of Charter - Working Capital, Audit & Risk Management Committee Meeting, 16 September 2026 and requests further clarification on the matter.

Seconded: Mr F Bell **Carried**

Recommendation 3

Moved Mr F Bell that pursuant to section 91(7) of the *Local Government Act 1999* the Audit & Risk Management Committee orders that the Report and Attachment A to (Item 10.1 Interpretation of Charter - Working Capital, Audit & Risk Management Committee Meeting, 16 September 2026) be kept confidential until further order of the East Waste Board.

Pursuant to Section 91(9)(c) of the *Local Government Act 1999,* the power to revoke the order under Section 91(7) prior to any review or prior to a review is delegated to the General Manager, or any person acting in that position.

Seconded: Ms N Caon **Carried**

11. Closure

The Chairperson declared the meeting closed at 6.56 pm.

12. The next Ordinary Audit & Risk Management Committee Meeting is proposed to be held at **3 pm on 11 November 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 16 September 2026.

Chairperson

Date / /

9.1 General Manager's Report

Report Author:	General Manager
Attachments:	Nil

Purpose and Context

The purpose of this report is to provide the Audit & Risk Management Committee with a concise overview of organisational performance, strategic priorities, key risks and emerging opportunities since its previous ordinary meeting. The report supports assurance, informed challenge and oversight of matters aligned with East Waste's Strategic Management Plans.

The matters are consolidated into one report for efficiency. This does not limit the Committee from considering an individual matter separately or recommending further action to the Board.

Recommendation

That the Audit & Risk Management Committee notes the General Manager's Report as presented on the 11 November 2026.

Strategic Link

Objective 5. Provide Leadership

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

Background

The General Manager's Report replaces verbal briefings as the formal mechanism for commentary on contemporary matters. It complements the detailed financial, audit, risk and operational reports elsewhere in the agenda.

Discussion

1. Strategic Overview and Organisational Performance

- East Waste continues to deliver essential collection and resource-management services while progressing the FY2026/27 priorities of Constituent Council support, safety and compliance, service and customer outcomes, environmental performance, operational improvement, procurement maturity and future readiness.
- Recent reporting to Mayors and Chief Executive Officers highlighted 10.43 million annual bin collections, 130,225 tonnes collected, a 58% kerbside diversion rate and a fleet of 59 collection vehicles. These measures provide context for the scale of service and the importance of small percentage movements in cost, reliability and diversion performance.
- All eight Service Level Agreements have been recorded as signed, with Council-specific requirements now being translated into practical guidance for Customer Service and Operations. Power BI reporting has been released and is being fine-tuned to improve visibility of service, volume, cost and exception data.

- The annual Mayor and CEO session and recent Council briefings have been used to account for delivered commitments, explain work still underway and obtain input to the FY2027/28 Annual Plan and future strategic priorities.

2. Financial Performance and Emerging Funding Risk

- Long term financial plan will be updated in coordination with budget preparation for FY2028 with progress to be made post the November Board meeting and budget workshop.
- Budget Review 1 is identifying material cost pressure, including fuel, payroll and the timing and allocation of project-related activity. Finance is continuing to validate phasing, account coding, leave treatment and the separation of FOGO and Common Fleet impacts before final forecasts are settled. Further specific detail is included in Budget Review 1.
- The review of the suite of financial policies has clarified that surplus-fund decisions sit with the East Waste Board and must be considered against expenditure identified in the Business Plan, including the Long-Term Financial Plan and Annual Plan and Budget. Cash flow and liquidity will be monitored and reported separately.
- The cost model is ready for application through the next budget build. Monthly invoicing and stronger internal finance capability are improving cash visibility and alignment between receipts and operating expenditure.
- FOGO and other project income and expenditure will remain separately tracked and reported rather than being pooled with Common Fleet.

3. Safety, Risk and Assurance

- The Asset Management Plan audit has been finalised for presentation to the November Committee meeting. No high-risk findings have been identified.
- Year One of the internal audit program has commenced, including Payroll and Business Continuity audits, supported by recommendation tracking and clearer management responses.
- The integrity framework has been strengthened through the Board of Management Code of Conduct, Fraud and Corruption Prevention Policy, Public Interest Disclosure Procedure and clarified governance and management accountabilities.
- Legacy Work Health Safety (WHS) actions, document-management assurance and changing workplace-exposure-limit requirements remain active assurance priorities.

4. Workshop, Maintenance, Fleet and Capacity

- Phase 2 of the workshop and maintenance review has been completed and converted into a consolidated improvement program focused on safety, cost reduction and operational efficiency.
- Priority actions include clearer defect reporting and triage, monthly maintenance budget reconciliation, stronger vehicle and cost-category visibility, review of diagnostic and workshop systems, a staffing and sourcing business case, supplier and parts improvements, and continued WHS control development.
- The Fleet Asset Management Plan provides a 2036 planning horizon, a 10-year replacement outlook of approximately $42.7 million and an indicative replacement profile of six to seven vehicles per year. Final replacement decisions will continue to consider condition, reliability and maintenance cost, not age alone.

- Fleet capacity has generally remained at or above operational requirements. Workforce coverage remains the more immediate capacity focus, with weekly monitoring supporting recruitment, retention and service-continuity decisions.

5. Technology, Data and Innovation

- The City of Mitcham contamination-detection pilot continues to test hopper-facing camera and AI-enabled image analysis to identify contamination and support targeted education and service insights.
- East Waste is building practical Copilot capability for reporting, analysis, document preparation and training content, with human review, information protection, accountability and measurable benefit maintained as core controls.

6. External Engagement and Waste Expo Australia

- Waste Expo Australia, held in Melbourne at the Convention Centre 28th - 29th October 2026, provided strong value through industry networking and direct contact with suppliers, system providers and sector peers. The level of existing industry connection was encouraging and supports faster testing of ideas and market intelligence.
- The most relevant opportunities were systems and data solutions that may strengthen operational visibility, reporting and customer outcomes. Other concepts, including compostable-bin or liner options, require further investigation against local service models, processing arrangements, contamination risk and cost.
- The value of future attendance should be measured primarily through useful relationships, verified supplier follow-up and practical trials or procurement improvements, rather than the number of products observed.

7. People, Culture and Organisational Capability

- The 12-month employee engagement action plan remains in implementation, with emphasis on communication, recognition, feedback and shared accountability.
- Leadership and team development are being aligned with clearer responsibilities, improved cross-functional delivery and the capability required for East Waste's future operating model.
- Finance, procurement, reporting and governance capability are being progressively strengthened internally, while retaining specialist external advice where it provides value or independence.
- There has been significant human-resources activity in the last quarter, particularly in behaviour and performance management.

8. Strategic and Emerging Focus

- Administration continues to monitor processing capacity, fuel and other major cost drivers, workforce constraints, lithium-battery and fire risk, alternative fuels and the operational implications of further weekly FOGO expansion.
- FY2027/28 budget preparation has commenced through early consultation with Constituent Councils on growth, service changes and project intentions. This is intended to improve fleet, workforce and pricing assumptions before formal budget development.
- Administration will be seeking to extend then Galpin's external review contract to support continuity and align with improvement actions, current expiry August 2027.
- Administration will be seeking to extend UHY internal review contract to support continuity and align with improvement actions, current expiry July 2027.

- The Audit workplan will be presented for review in February 2027.

9. Matters for Celebration and Concern

- Celebration: delivery of the SLA framework, release of Power BI reporting, completion of key safety and education commitments, stronger internal financial capability, progress on the Fleet Asset Management Plan, and productive engagement with Councils and industry, completion of the Education tender and KESAB 60th Birthday.
- Concern: the fuel forecast and potential depletion of equity holdings require early governance attention. Other continuing pressures include workforce capacity and fire risks.
- Staff call out - Lara from the Customer Service team has commenced transition into a driving role, this is a positive development and aligns with the need to entice new drivers into the field.

9.3 Internal Audit Result – Asset Management

Report Author	General Manager
Attachments	A: UHY Haines Norton Internal Audit Report - Asset Management

Purpose and Context

To provide the Audit & Risk Management Committee (the Committee) with the results of the Asset Management internal audit undertaken by East Waste's appointed internal auditor, UHY Haines Norton.

Recommendation

That the Audit & Risk Management Committee receives and notes the Internal Audit Result: Asset Management as presented by UHY Haines Norton *(Attachment A, Item 9.3. Audit & Risk Management Committee Meeting, 11 November 2026).*

Strategic Link

Objective 5. Provide Leadership
Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

East Waste's first internal audit cycle commenced on 1 July 2025, following the development of a two-year Internal Audit Work Plan approved by the Committee in June 2025. The Asset Management audit is the third audit undertaken, following Payroll and Business Continuity in FY2026.

The Asset Management internal audit scope was approved through the Internal Audit Work Plan and focused on governance, strategic planning, fleet lifecycle management, maintenance, risk, data, valuations, route planning, technology and the integration of asset planning with East Waste's Long-Term Financial Plan and executive decision-making.

Discussion

The Asset Management audit was undertaken during August to October 2026. UHY Haines Norton conducted an onsite visit at East Waste's Ottoway depot and reviewed relevant governance, planning, operational, maintenance, financial and risk documentation, supported by management interviews, process walkthroughs and targeted substantive testing.

The Internal Audit Report prepared by UHY Haines Norton is provided at **Attachment A** *(Refer Attachment A)* for the Committee's reference.

The audit provides Moderate to Positive assurance over East Waste's asset management arrangements. It assessed the overall asset management control environment as Mostly Effective, with Medium current and residual risk. No significant control weaknesses were identified. The report identifies targeted opportunities to formalise supporting policies and procedures, strengthen risk and data documentation, validate lifecycle and residual-value assumptions, reduce reliance on manual processes and key-person knowledge, and consider rapidly changing fleet technology.

Administration accepts the recommendations and has included a Management Response and respective due dates within the attached document. The report contains twelve (12) recommendations across eight improvement areas. The recommendations address policy and responsibility gaps, emerging fleet risks, maintenance and FOGO fleet analysis, route-planning documentation and modelling triggers, annual Fleet Asset Management Plan review processes, disposal and lifecycle assumptions, valuation analysis, and future fleet capability assessment.

Administration will keep the Committee informed on progress of the recommendations through the Internal Audit Tracking Progress document, a standing Committee agenda item. Moderate-priority actions are generally scheduled for completion between February and June 2027, with the recommendations coordinated through the General Manager, Finance, Operations, Risk and WHS functions. Progress and any revised timing will be reported to the Committee.

Representatives from UHY Haines Norton will attend the meeting to answer Committee questions and provide context on the audit approach, assurance conclusion, findings and recommendations.

UHY Haines Norton

Internal Audit Report – Asset Management

East Waste

October 2026

UHY Haines Norton

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Lead Report Author: Corinne Garrett
Internal Auditor: Karen Peake
25 Peel Street, Adelaide SA 5000
Tel 08 8110 0999
ABN: 37 223 967 491

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Executive Summary

Background

East Waste, the trading name of the Eastern Waste Management Authority, is a regional subsidiary established under Section 43 of the Local Government Act 1999 to provide waste collection services to its constituent councils. The Authority provides services on behalf of its eight councils, with the nature of services determined by each council to meet local community needs.

In order to deliver these services effectively, East Waste requires efficient processes supported by appropriate documentation, system controls, approval workflows and reconciliation practices.

Diagram 1 – East Waste – service summary



Data Source: East Waste website

Key Risks and Priority Findings

This internal audit reviewed East Waste's asset management arrangements, with primary reference to the Fleet Asset Management Plan & Strategy and consideration of the Charter, related policies and organisational documentation, performance data, risk management and strategic reporting.

Recent FOGO trials have required East Waste to adopt a more agile approach to fleet management, including maintaining ageing vehicles in a roadworthy condition and managing waste collection costs within allocated budgets. Alongside the FOGO trials, the organisation continues to position itself for potential business growth, including new council collection rounds and diversification into alternative recycling streams such as batteries, tyres and e-waste. Continued review of fleet asset management data will therefore remain important, supported by the ongoing development of BI dashboards and data analytics.

Overall audit conclusion:

Based on the procedures performed and evidence made available, East Waste's asset management control environment was assessed as providing **Moderate to Positive** assurance. The review identified established strategic, financial and operational arrangements supporting fleet planning, maintenance, acquisition, disposal and waste collection service delivery. The assessment principally reflects the design and maturity of these arrangements, supported by targeted substantive testing as described in the audit methodology. Some improvement opportunities were identified, but no significant control weaknesses were identified from the work performed.

The main areas for strengthening relate to formalising supporting policies and procedures, enhancing risk and data documentation, periodically validating lifecycle and residual value assumptions, reducing reliance on manual processes and key-person knowledge, and considering the implications of rapidly changing technologies.

The Fleet Asset Management Plan & Strategy, developed in 2025 and reviewed in September 2026, provides the principal asset management framework and demonstrates strategic links to the Charter, Long-Term Financial Plan and current Annual Business Plan. Internal Audit also interviewed key strategic personnel and reviewed the newly developed BI dashboards and associated data inputs.

Main findings included:

- **Governance and strategic alignment:** Strong links were identified between the Charter, Business Plan and Fleet Asset Management Plan & Strategy. Supporting policy documentation remains limited, with opportunities to further formalise asset management policies, procedures and responsibilities.
- **Risk management:** The organisational risk registers captured the majority of identified asset-management risks. Further consideration should be given to risks arising from the FOGO trials and associated temporary collection rounds, extended vehicle useful lives, additional maintenance costs and related fleet-management requirements.
- **Compliance and maintenance:** The Fleet Asset Management Plan & Strategy, maintenance schedules and supporting documentation reviewed by Internal Audit referenced relevant legislative and regulatory requirements. Completed service records and supporting compliance evidence were not inspected and, accordingly, completion of scheduled servicing and operating compliance with these requirements was not independently verified.
- **Performance data and analytics:** Fleet performance and collection data are subject to ongoing review using real-time and driver-collated information, including shift times, kilometres travelled, engine hours, round durations, bin lifts and fuel consumption. Continued development of BI dashboards and analytics should strengthen the use of this information for operational and strategic decision-making.
- **Fleet planning and decision-making:** A high level of integration was evident across fleet planning, operational reporting and strategic decision-making. Given fleet is East Waste's primary operational asset class, timely information regarding fleet performance, maintenance requirements and financial impacts remains critical.
- **Asset valuations:** Management advised that external insurance valuations of vehicles and buildings are undertaken on a three-year cycle. Internal Audit reviewed the governance arrangements and frequency of the insurance valuation process but did not independently assess the technical valuation methodology or individual insured values. Opportunities were identified to strengthen the periodic analysis of disposal values and the validation of useful-life and residual value assumptions.

Objective, Scope and Methodology

This assurance audit assessed the maturity and effectiveness of East Waste's asset management arrangements, including governance, planning, operational processes, risk management, compliance arrangements and strategic forward planning. The full audit scope is included at Appendix A.

Audit work included discussions and walkthroughs with the General Manager, the Acting Manager Business Services and the Manager Operational Services, with additional information provided by the Risk & WHS Business Partner and the Finance Business Partner or accessed via the organisation's website.

Note: Testing was evidence-based, risk-focused and proportionate to East Waste's size, resources and operating environment.

Internal Audit Standards and Engagement Basis

This internal audit engagement was conducted as an assurance review of East Waste's asset management, undertaken using a methodology consistent with recognised internal audit practice and the principles of the Global Internal Audit Standards issued by the Institute of Internal Auditors.

The engagement was designed to provide East Waste and its Audit & Risk Committee (ARC) with assurance over the efficiency and effectiveness of the organisation's asset management planning and strategies, adequacy of related documentation, alignment with constituent councils and their strategic planning and positioning to pursue future opportunities as and when it was deemed appropriate.

The internal audit work was performed independently of the organisation's day-to-day operations, and the internal auditors did not undertake management responsibilities. Responsibility for the design, implementation and operation of asset management processes and controls remains with East Waste's management.

The audit conclusion is based on interviews, walkthroughs, documentation reviews, system observations and sample testing performed during the engagement. Internal audit does not provide absolute assurance and the work undertaken does not guarantee that all errors, exceptions or control weaknesses have been identified.

Findings and recommendations have been prepared to support management action and ARC oversight. Recommendations are intended to strengthen the internal control environment and provide additional assurance.

Asset Management Risk Context

Strategically, strong asset management practices support informed decision-making, long-term financial sustainability, regulatory compliance, risk reduction and transparent reporting to management, constituent councils and the ARC.

Asset management provides a structured approach to managing an organisation's key physical assets across their full lifecycle, from planning and acquisition through to operation, maintenance, renewal and disposal. Ineffective asset management can adversely affect service reliability, financial sustainability, regulatory compliance and operational performance.

For East Waste, effective asset management is essential to maintaining appropriate fleet and equipment capacity, reliable waste collection services, including trial FOGO collections, managing whole-of-life costs, and ensuring assets remain safe, fit for purpose and aligned with service delivery requirements.

Effective asset management also supports the identification and management of related risks and enables timely, informed decision-making when responding to operational changes and when appropriate, future growth opportunities.

Internal Audit Observations

The audit observations indicate that East Waste's asset management arrangements have developed from a more reactive approach towards a proactive and strategically focused model.

This is supported by increased scrutiny of maintenance costs, fleet capacity and operational performance, together with the recently developed and reviewed Fleet Asset Management Plan & Strategy.

Waste collection services are supported by detailed analysis of operational and financial data, enabling East Waste to assess service performance across all constituent councils, analyse fleet capacity and potential future growth opportunities. These opportunities may include additional waste collection rounds or diversification into recycling services such as batteries, tyres and e-waste.

The recently endorsed Fleet Asset Management Plan & Strategy, updated September 2026, provides the primary framework for asset management and planning, strengthening the control environment and supporting consistent asset-related decision-making.

The trial FOGO rounds have increased the importance of accurate and timely fleet, maintenance and cost data, particularly as older vehicles are retained to provide additional collection capacity. Continued analysis of this information will support strategic planning for any further expansion of FOGO or other collection services.

Internal Audit Methodology

This internal audit was undertaken using a structured, risk-based methodology aligned to the agreed scope of work, comprising five phases: planning, desktop review, fieldwork and testing, analysis of findings, and reporting.

- During the planning phase, internal audit confirmed the audit scope, information requirements, key contacts, timing and access arrangements with the organisation.
- A request list was used to obtain relevant asset management planning, budgeting, maintenance and usage information.
- The review primarily comprised management interviews, process walkthroughs and document review. Targeted substantive testing was undertaken where relevant and practicable, including arithmetic checks and reconciliation of selected disposal information to supporting documentation.
- Relevant risk management information was reviewed following the recent Local Government Risk Services risk management workshop and update of the organisational risk registers.
- Maintenance schedules and related planning information were reviewed, together with the use of operational data relayed from drivers to provide circular fleet data flows, to support fleet management and service planning.

All areas outlined in the approved Internal Audit Scope were considered during the review. The nature and extent of procedures varied according to the risks, controls and evidence available within each area of scope. While some areas were assessed primarily through discussion, walkthrough and review of documented control processes and governance arrangements, targeted substantive testing was undertaken where appropriate. This should not be interpreted as providing comprehensive substantive assurance over the operating effectiveness of controls across all asset management activities.

Findings were assessed against the organisation's risk management framework, with priority ratings also determined by reference to that framework and control effectiveness assessed against the COSO Internal Control Framework 2013.

Testing Approach and Sample Basis

Testing was risk-based and proportionate to the nature of the audit, with the review centred predominantly on senior management discussions, process walkthroughs and examination of relevant governance, planning, operational and financial documentation.

Targeted substantive testing was undertaken where relevant and practicable and focused on the 2025/26 year. This included arithmetic checks and reconciliation of selected asset disposal information to supporting documentation. This testing approach was considered appropriate for assessing the maturity of East Waste's asset management arrangements and for identifying any significant control weaknesses or opportunities for improvement.

Findings and conclusions are therefore based on this approach and the evidence made available to Internal Audit during the engagement, with the specific procedures performed and any relevant testing limitations described in the findings.

Summary of Testing and Significant Observations

Testing commenced with discussions held during the August 2026 site visit to the organisation's Ottoway office.

The audit involved management discussions and process walkthroughs, but not detailed testing across every operational control.

The review covered the asset maintenance, asset management, strategic planning and asset planning functions. Additional documentation, data and processes were reviewed to address the agreed audit scope, including:

- **East Waste website** - Relevant organisational information, including the Charter and Business Plan.
- **Policy Framework -** Existing asset-related policy documentation and the extent to which the Charter, Business Plan and Fleet Asset Management Plan & Strategy provide the overarching governance framework.
- **Fleet Asset Management Plan and Strategy -** The September 2026 version, including strategic links, the fleet asset profile, levels of service, future demand, fleet lifecycle management, financial information and supporting appendices covering fleet replacement, fuel projections, repairs and maintenance, registration and insurance, and depreciation.
- **Asset Management Reporting -** Relevant reports and supporting analysis, including the ARC 12 November 2025 FY2026 Budget Review One report, Financial Projections to Asset Management Plan, and Truck Disposal and Residual Value Analysis.
- **Lifecycle and Depreciation Modelling -** Available useful-life, depreciation, maintenance and residual value information used to support fleet planning and strategic decision-making.
- **Disposal Information and Trend Analysis -** Recorded vehicle disposal prices, auction outcomes and supporting disposal notifications.
- **BI Dashboard Development -** A demonstration of the operational and performance dashboards currently under development, including information splits intended to support reporting to constituent councils.
- **Future Fleet Technology** - Existing fleet-management technology and data sources, together with emerging technology and information requirements relevant to future fleet procurement, replacement and service growth.

Table 1: Summary of Scope Coverage, Findings and Ratings

#	Audit Scope Area	Recommend - ations	Risk Rating	Effectiveness Rating	Priority Rating
1	Review the detail in Asset Management Plans, policy, procedure and processes to ensure cohesive approach.	1	MEDIUM	MOSTLY	MODERATE
2	Review asset management detail in the organisational risk register to ensure updated and pertinent.	2	MEDIUM	MOSTLY	MODERATE
3	Review recent external audits to ensure all outstanding recommendations are incorporated in this review.	-	N/A	N/A	N/A
4	Review asset maintenance schedules to the asset management plan to ensure compliance with any legislative requirements.	2	MEDIUM	MOSTLY	MODERATE
5	Review options for route optimisation and assess the 'cost-benefit'.	2	LOW	MOSTLY	LOW
6	Assess the asset policy and asset management planning to ensure they integrate into strategic planning, LTFP and Executive Level decision-making.	1	MEDIUM	MOSTLY	MODERATE
7	Assess asset data reconciled to source documentation re: useful life estimates, valuations, inspections, depreciation, acquisitions and disposals.	2	MEDIUM	MOSTLY	MODERATE
8	Assess the current asset valuation methods to ensure appropriate and aligned to industry best practice with an assessment as to whether additional expertise is required.	1	LOW	MOSTLY	LOW
9	Assess existing technology as opposed to new technology with regard to preventing obsolescence of fleet vehicles.	1	LOW	MOSTLY	LOW

Risk Management – Risk Rating

Table 2: Summary of Strategic Risk Data – Extract from East Waste's Risk Register

#	Risk	Risk Category	Inherent Risk	Current Risk	Residual Risk
GOV-02	Failure to **identify, understand and comply with** applicable legislation, regulations, licences, standards and contractual obligations may result in penalties, prosecution, service restrictions, financial loss and reputational damage.	Legal & Compliance	HIGH	MEDIUM	MEDIUM
FIN-02	Failure to **effectively manage** asset renewal funding and related financial controls, reporting, insurance, funding or agreement management arrangements may result in operational, WHS, compliance, financial or reputational impacts.	Financial	HIGH	MEDIUM	MEDIUM
FIN-03	**Inadequate insurance** coverage, poor claims management or failure to meet policy conditions may result in uninsured losses, increased premiums, financial exposure and operational impacts following an incident.	Financial	HIGH	MEDIUM	MEDIUM
FIN-04	Failure to **effectively manage** asset valuation & financial reporting and related financial controls, reporting, insurance, funding or agreement management arrangements may result in operational, WHS, compliance, financial or reputational impacts.	Financial	HIGH	MEDIUM	MEDIUM

The relevant asset-related risks in the strategic risk register are currently rated **MEDIUM**. These risks concern legislative and regulatory compliance, asset-renewal funding, financial controls, insurance, valuations, reporting, WHS and reputational impacts. For full details, see Appendix C.

Risk Management – Effectiveness Rating

East Waste's Risk Management Framework requires periodic review of risk management policies, systems and procedures to evaluate whether controls remain effective and suitable for supporting strategic and operational objectives. The LGRS had recently facilitated a strategic risk workshop at East Waste and therefore the Strategic Risk Register was newly updated, as of July 2026.

For the asset management function, the audit found that the practical controls, the Fleet Asset Management Plan & Strategy and close scrutiny of costings and service delivery options were all in place.

For the immediate future, the expansion of the FOGO service, the potential diversification into alternative recycling options and the potential attraction of new customers will rely on East Waste being agile and able to pivot using accurate core data. On this basis, the asset management control environment should be viewed as **MOSTLY EFFECTIVE** with the newly endorsed Fleet Asset Management Plan & Strategy in place and detailed cost and vehicle management data under regular strategic review.

Table 3: Risk Management – Operating Effectiveness Ratings

FULLY	• Control activities deployed through established up-to-date policies that are regularly reviewed. • Control activities actively contribute to risk mitigation. • Technology controls are aligned to the achievement of objectives.
MOSTLY	• Control activities deployed through established policies. • Control activities generally contribute to risk mitigation.
PARTIALLY	• Control activities may be deployed through established policies which may not be reviewed and up-to-date. • Control activities may contribute to risk mitigation.
INEFFECTIVE	• Control activities deployment through established policies is suboptimal. • Control activities contributing to risk management are sub optimal.

Source: COSO Internal Control Framework 2013

Conclusion

Based on the work performed and evidence reviewed, this internal audit provides **MODERATE TO POSITIVE** assurance with regard to the organisation's approach to asset management, including fleet management, maintenance, related strategies, decision-making and use of related technology.

- The risk environment is assessed as **MEDIUM**, in alignment with the current and residual risk ratings in the recently updated strategic risk register.
- The overall effectiveness of the fleet management, both operationally and strategically, reflects a strong internal control environment. Financially robust controls were noted in the purchasing, maintenance and disposal of the waste collection vehicles with a strategic awareness for what may be needed as and when future business opportunities arise, to either expand the waste collection areas or diversify into additional recycling markets.
- Overall, the asset management practices in place at East Waste were assessed as **MOSTLY EFFECTIVE**, with a focus on a few targeted areas for improvement in order to optimise the use of technology and maximise positioning of the organisation for new/extended business options in the near future.

Strong alignment was identified between fleet planning, financial planning and operational decision-making. Opportunities for improvement relate primarily to formalising supporting policies and procedures, strengthening risk and data documentation, enhancing valuation analysis, and reducing reliance on manual processes and key-person knowledge.

Implementation of the recommendations identified within this report will further strengthen the asset management processes currently in place at East Waste, enabling the organisation to exercise the strategies and business agility needed to maximise future waste management opportunities as they arise.

We acknowledge the assistance provided by staff during this audit, and for their operational insights, management discussions and strategic decision-making processes.

Summary of Key Findings and Recommendations

Key: ***R= Risk Rating, E = Effectiveness, P = Priority***

R	E	P	Summary Findings	Recommendations	Management Response	Date
1.0 Review detail in Asset Management Plans, policy, procedure and processes to ensure cohesive approach.						
MEDIUM	MOSTLY	MODERATE	Research revealed that waste management authorities opt for an alternative governance structure, favouring a Charter and Strategic Plan to provide the necessary organisational framework. The main 'asset-related' position document was identified as the East Waste Fleet Asset Management Plan & Strategy 2026 – 2035. (Revised Sept.2026.) A comparison was undertaken between the Fleet Asset Management Plan & Strategy, the Charter and relevant strategic documentation to assess alignment. The documents reviewed demonstrated clear alignment across key strategic objectives and planning arrangements. Despite the framework identified above, the low level of policy documentation evidenced as currently in place at East Waste should be addressed. A review should be undertaken to identify the key policy documents required to adequately support the business process and direction going forward, particularly in relation to the core business of asset management. Once identified, a timeframe should be drafted to ensure timely completion.	**R1.0** Undertake and document a gap assessment of the asset management policies, procedures and assigned responsibilities required to support the Fleet Asset Management Plan & Strategy and develop an implementation timetable for any documents or responsibilities identified as necessary.	**R1.0** Management will undertake the gap assessment develop an implementation timetable as necessary.	**28/02/2027**
2.0 Review asset management detail in the organisational risk register to ensure updated and pertinent.						
MEDIUM	MOSTLY	MODERATE	The organisation's strategic, operational and project risk registers were refreshed during an LGRS risk management workshop in July 2026. The asset management related risks were reviewed, with the majority of identified risk areas being fully aligned to the business and the risks raised in the LTFP FY2024 - FY2033 and Fleet Asset Management Plan & Strategy 2026-2035. Review Note 1: Deferred/Increased Maintenance – with the decision to retain older vehicles for the FOGO rounds, the risk of increased maintenance costs and scheduling needs to be monitored and managed via the risk management process. Review Note 2: Future Service/Environmental Opportunities - consider whether risks associated with future service expansion, additional collection or recycling streams and related fleet-capacity requirements are adequately captured within existing strategic risks or whether they should be noted as an emerging risk.	**R2.0** Ensure risks arising from extended vehicle-retention periods are appropriately captured in the risk register, including increased or deferred maintenance costs and scheduling requirements. **R2.1** Consider whether risks associated with future service expansion, additional recycling streams and material changes in fleet capacity are adequately captured in the strategic risk register or as an emerging risk, and document the outcome.	**R2.0** Management will review and update the risk register to reflect any change in risk exposure from extended vehicle retention periods. **R2.1** Management will review the strategic risk register to consider future service expansion or additional material streams/changes and corresponding fleet capacity.	**28/02/2027** **28/02/2027**

Key: ***R= Risk Rating, E = Effectiveness, P = Priority***

R	E	P	Summary Findings	Recommendations	Management Response	Date
3.0 Review recent external audits to ensure all outstanding recommendations are incorporated in this review.						
N/A	**N/A**	**N/A**	No outstanding audit report actions relevant to this review.	None	n/a	n/a
4.0 Review asset maintenance schedules to the asset management plan to ensure compliance with any legislative requirements.						
MEDIUM	**MOSTLY**	**MODERATE**	Internal Audit reviewed maintenance schedules, maintenance-cost information and the Fleet Asset Management Plan & Strategy 2026 to assess whether the documented framework aligned maintenance planning, funding and fleet decision-making. Completed service records, evidence of individual inspections and supporting statutory-compliance records were not inspected. As a result, Internal Audit did not independently verify completion of scheduled servicing or operating compliance with applicable legislative and regulatory requirements. Previous years experienced increased maintenance costs arising from vehicle failures, replacement parts, extended repair periods and reduced fleet capacity. Management has responded through changes in vehicle make where practicable, closer cost analysis and detailed quarterly budget reviews.	**R4.0** Consolidate relevant performance, costing and servicing information to provide timely data on viable retention options for older vehicles for FOGO collections. **R4.1** Program regular strategic reviews of FOGO rounds to assess fleet impacts and minimise workload on older retained vehicles.	**R4.0** Management will review asset management plan to clearly identify performance, cost and servicing information with regard to retention options. **R4.1** Management will incorporate fleet impact considerations into the existing quarterly operational FOGO reviews.	**31/03/2027** **30/04/2027**
5.0 Review options for route optimisation and assess the 'cost-benefit'.						
LOW	**MOSTLY**	**LOW**	Internal Audit reviewed the current route-planning process and information used by management to consider service performance, capacity and route efficiency. Alternative route configurations were not independently modelled, and a quantified cost-benefit analysis was not undertaken. Therefore, the review does not conclude that existing routes represent the optimal or lowest-cost configuration. Management advised that route-efficiency considerations are incorporated when collection rounds are designed or revised, although options are constrained by fixed streets, bin locations, individual council service boundaries and other operating requirements. Experienced staff consider relevant operational variables using established run data, collection times and vehicle capacities to support route planning and service delivery. Prior to new business bids, management considers how additional rounds could be scheduled, including operating constraints associated with earlier collection times. Management advised that the data currently used for route planning is available to relevant senior staff and is referenced when reviewing service performance and future capacity. Current manual route planning, supported by established collection data and experienced staff, is considered adequate for existing operational needs. More formal route and capacity modelling may be warranted if collection areas, service volumes or operating constraints materially change.	**R5.0** Document route-planning processes, key data sources and analytical responsibilities to reduce reliance on key-person knowledge. **R5.1** Establish defined triggers for undertaking formal route and capacity modelling, such as material changes in service areas, collection volumes, fleet capacity or operating costs. Where triggered, document the options considered and associated cost, capacity and service implications.	**R5.0** Management will document route planning processes and associated scheduling/planning methodologies. **R5.1** Management will establish trigger for route review timeframes and capacity consideration.	**30/04/2027** **30/04/2027**

Key: ***R= Risk Rating, E = Effectiveness, P = Priority***

R	E	P	Summary Findings	Recommendations	Management Response	Date
6.0 Assess the asset policy and asset management planning to ensure they integrate into strategic planning, LTFP and executive level decision-making.						
MEDIUM	MOSTLY	MODERATE	The Fleet Asset Management Plan & Strategy is the key asset management documentation. Throughout the drafting of this Plan & Strategy document, reference was made to key strategic documentation; the Long-Term Financial Plan, and the executive level decision - making process. The Senior Management Team at East Waste ensures it remains well connected to the operational side of the business in addition to the strategic and decision-making level due to the size of the organisation and one main site location. The organisational culture and work programming prioritises systems and continual improvements. An annual review of key strategic documentation, the control environment for strategic alignment appears strong and well supported. While strategic integration is well aligned and the control environment is well supported, there is an opportunity to make the process more robust and resilient. The Medium risk rating reflects the potential consequence of delayed or incomplete updates to fleet assumptions affecting future budget or fleet-replacement decisions, rather than a current weakness in strategic integration.	**R6.0** Ensure the annual process for reviewing the Fleet Asset Management Plan & Strategy is documented, with key tasks assigned to appropriate personnel to provide continuity of this centrally linked and overarching document.	**R6.0** Management will add a process, responsibility matrix and checklist element to the Fleet Asset Management Plan and Strategy.	**30/04/2027**
7.0 Assess asset data reconciled to source documentation re. useful life estimates, valuations, inspections, depreciation, acquisitions and disposals.						
MEDIUM	MOSTLY	MODERATE	Internal Audit analysed selected vehicle-disposal information provided by East Waste. Testing comprised management discussions and review of the East Waste Truck Disposal and Residual Value Analysis, the draft Fleet Asset Management Plan Review FY27 and the Financial Projections to Asset Management Plan. Calculations in the disposal analysis were checked for arithmetic accuracy, and selected disposal values were reconciled to individual disposal notifications. The analysis identified instances where actual disposal outcomes differed from asset-management assumptions. The testing did not constitute independent valuation of the vehicles or verification of every disposal transaction to underlying third-party source documentation.	**R7.0** Periodically analyse actual vehicle-disposal outcomes against the useful-life, residual-value and replacement assumptions used in asset planning, and document whether the results indicate that those assumptions require adjustment. **R7.1** Incorporate sensitivity analysis into fleet financial modelling to assess changes in useful lives and residual values on depreciation and financial projections.	**R7.0** Management will implement a review annually as disposal activities are undertaken to test assumptions. **R7.1** Management will incorporate sensitivity analysis into the financial modelling.	**30/06/2027** **30/06/2027**

Key: ***R= Risk Rating, E = Effectiveness, P = Priority***

R	E	P	Summary Findings	Recommendations	Management Response	Date
8.0 Assess current asset valuation methods to ensure appropriate and aligned to industry best practice with assessment as to whether additional expertise is required.						
LOW	MOSTLY	LOW	The Manager Business Services advised that vehicles and buildings are externally revalued for insurance purposes every three years. Comparison with other waste authorities did not establish a standard frequency. Internal Audit did not assess the technical valuation methodology or market test individual valuations. The review did not identify an issue in relation to the three-year insurance valuation frequency; however, it was noted that insurance valuations serve a different purpose from financial-reporting valuations. East Waste records individual vehicle disposal prices and auction outcomes. Disposal values reviewed by Internal Audit were reconciled to individual disposal notifications without discrepancy. Periodic analysis of this information would support assessment of resale trends, residual-value assumptions and strategic vehicle-retention decisions. The review did not establish whether the available data was sufficient to identify broader market trends. The recommendation is an improvement opportunity relating to periodic analysis of recorded disposal outcomes to support vehicle-retention decisions.	**R8.0** Maintain a complete record of vehicle-disposal outcomes and periodically compare actual sale proceeds with carrying values, assumed residual values, vehicle age, kilometres, maintenance history and disposal method. Use the analysis to inform residual-value assumptions and strategic vehicle-retention decisions.	**R8.0** Management will capture historical sales data for comparison against defined parameters.	**30/06/2027**
9.0 Assess existing technology as opposed to new technology with regard to preventing obsolescence of fleet vehicles.						
LOW	MOSTLY	LOW	Management explained the use of 3XLogix and related data streams for operational monitoring, vehicle-location information, communication with drivers, missed-collection enquiries and day-to-day collection management. Internal Audit did not undertake technical system testing or independently validate every stated system capability. Current data streams, supplemented by daily driver reporting, support existing fleet-management and operational requirements. Future service growth and increasing reporting requirements may require additional technology capability, integration and data-management solutions. Emerging fleet technology and industry developments should therefore be considered periodically as part of future fleet procurement and replacement planning. Future fleet-capability assessments should consider relevant developments in emissions, alternative fuels, electric or hydrogen capability, parts availability and lifecycle costs. The assessments should also consider current system capability, expected service growth, reporting requirements, integration, data quality, cyber security, business-continuity requirements and other relevant fleet-technology developments.	**R9.0** Develop a documented fleet capability assessment, capturing emerging industry developments, expected service growth, reporting requirements, data quality and business continuity requirements to inform fleet procurement and support replacement decisions.	**R9.0** Management will incorporate a fleet capability assessment, as detailed, for inclusion in the Fleet Asset Management Plan and Strategy.	**30/06/2027**

Detailed Findings and Recommendations

1.0 Review detail in Asset Management Plans, policy, procedure and processes to ensure cohesive approach.

SUMMARY

Research revealed that waste management authorities opt for an alternative governance structure, favouring a Charter and Strategic Plan to provide the necessary organisational framework.

The main 'asset-related' position document was identified as the East Waste Fleet Asset Management Plan & Strategy 2026 – 2035. Latest revision September 2026.

A comparison was undertaken between the Fleet Asset Management Plan & Strategy, the Charter and relevant strategic documentation to assess alignment. The documents reviewed demonstrated clear alignment across key strategic objectives and planning arrangements.

Despite the framework identified above, the low level of policy documentation evidenced as currently in place at East Waste should be addressed.

A review should be undertaken to identify the key policy documents required to adequately support the business process and direction going forward, particularly in relation to the core business of asset management. Once identified, a timeframe should be drafted to ensure timely completion.

OBSERVATIONS/FINDINGS

A review was undertaken of the asset management related policy documentation in place at East Waste. Currently there is no asset management policy, and no overarching policy position, however a Sale & Disposal of Assets policy is in place, and a light fleet policy is drafted, awaiting approval. Via discussion with managers, procedures and processes were sighted as in place for the financial and servicing aspects of asset management.

A further review was undertaken of comparative waste management sites in order to establish whether the format is to have a policy position. Three alternative waste management authorities were reviewed (SRWRA/ FRWA / NAWMA) and none have policy positions, all have a Charter outlining the authority's governance, management and strategic direction.

The Charter ensures operations align with the LGA1999 and related policies and shows commitment to the constituent councils. In addition, the Charter serves as a framework for daily activities, including the recovery of resources and collection of waste materials, adhering to environmental guidelines and in collaboration with its eight constituent councils. Included in the Charter are also references to ongoing educational responsibilities at council and community level, setting of specific policies and procedures, delegations - and oversight roles within the ARC, on governance and effective and efficient systems.

A secondary key document was identified as the Fleet Asset Management Plan & Strategy 2026-2035 – September 2026. This was reconciled to the Charter to ensure alignment of strategic direction. The Management Plan has a Strategic Link section, recognising the Corporate Strategic Objectives and providing further cross references, supporting a cohesive approach.

ROOT CAUSE

Supporting policy and procedural requirements have not been formally defined.

CURRENT RISK

MEDIUM
L = Unlikely
C = Moderate

EFFECTIVENESS

MOSTLY
Control activities generally contribute to risk mitigation

PRIORITY

MODERATE

RECOMMENDATIONS

R1.0 Undertake and document a gap assessment of the asset management policies, procedures and assigned responsibilities required to support the Fleet Asset Management Plan & Strategy and develop an implementation timetable for any documents or responsibilities identified as necessary.

DUE DATE

28/02/2027

MANAGEMENT RESPONSE

Management will undertake the gap assessment develop an implementation timetable as necessary.

2.0 Review asset management detail in the organisational risk registers to ensure updated and pertinent.

SUMMARY

The organisation's strategic, operational and project risk registers were refreshed during an LGRS risk management workshop in July 2026.
The asset management related risks were reviewed, with the majority of identified risk areas being fully aligned to the business and the risks raised in the LTFP FY2024 - FY2033 and Fleet Asset Management Plan & Strategy 2026-2035.

Review Note 1: Deferred/Increased Maintenance – with the decision to retain older vehicles for the FOGO rounds, the risk of increased maintenance costs and scheduling needs to be monitored and managed via the risk management process.

Review Note 2: Future Service/Environmental Opportunities - consider whether risks associated with future service expansion, additional collection or recycling streams and related fleet-capacity requirements are adequately captured within existing strategic risks or whether they should be noted as an emerging risk.

OBSERVATIONS/FINDINGS

Asset Management risk register data was recently refreshed and has since been migrated onto a Skytrust register combining strategic, operational and project risks within one register: Strategic = 17, Operational = 34 & Project = 2. Within these registers, risks are scheduled for review by the General Manager on a quarterly (25%) or an annual (75%) basis.

Asset Management risk areas checked and now captured are:

- Compliance/Governance,
- Financial Sustainability,
- Insurance/Resilience,
- Inadequate Asset Planning,
- Procurement/Lifecycle,
- Asset/ Service Failure,
- Safety, and
- Poor Asset Data Quality.

Asset Management risk areas checked and linking to other existing risk areas:

- Technology Dependency – links to TECH-06
- Environmental Impacts – links to OPS-09

Asset Management risk areas currently not listed in the risk register:

- Deferred / Increased Maintenance

As the risk registers were refreshed in July 2026, the risks currently recorded were considered relevant and current for the purpose of this review.

Overall risk rating is Medium as while there are 'expected changes across the life of the LTFP, the current assumptions are based on no immediate change 'in current service delivery'.

ROOT CAUSE

Emerging asset-management risks have not yet been fully incorporated into the recently refreshed risk registers.

CURRENT RISK

MEDIUM
L = Unlikely
C = Moderate

EFFECTIVENESS

MOSTLY
Control activities generally contribute to risk mitigation.

PRIORITY

MODERATE

RECOMMENDATIONS	DUE DATE
R2.0 Ensure risks arising from extended vehicle-retention periods are appropriately captured in the risk register, including increased or deferred maintenance costs and scheduling requirements.	28/02/2027
R2.1 Consider whether risks associated with future service expansion, additional recycling streams and material changes in fleet capacity are adequately captured in the strategic risk register or as an emerging risk, and document the outcome.	28/02/2027

MANAGEMENT RESPONSE

R2.0 Management will review and update the risk register to reflect any change in risk exposure from extended vehicle retention periods.

R2.1 Management will review the strategic risk register to consider future service expansion or additional material streams/changes and corresponding fleet capacity.

3.0 Review recent external audits to ensure all outstanding recommendations are incorporated in this review.

SUMMARY	OBSERVATIONS/FINDINGS	ROOT CAUSE
Management advised that there were no outstanding external audit actions relevant to this review. No further action was identified, as verified by the Acting Manager Business Services, against the audit action register.	This action was included in the audit scope on the understanding that any overdue audit issues could be readily incorporated into this Asset Management scope.	N/A
		CURRENT RISK
		N/A
		EFFECTIVENESS
		N/A
		PRIORITY
		N/A

RECOMMENDATIONS	DUE DATE
None	N/A

MANAGEMENT RESPONSE

No action required.

4.0 Review asset maintenance schedules to the asset management plan to ensure compliance with any legislative requirements.

SUMMARY

Internal Audit reviewed maintenance schedules, maintenance-cost information and the Fleet Asset Management Plan & Strategy 2026 to assess whether the documented framework aligned maintenance planning, funding and fleet decision-making.

Completed service records, evidence of individual inspections and supporting statutory-compliance records were not inspected. As a result, Internal Audit did not independently verify completion of scheduled servicing or operating compliance with applicable legislative and regulatory requirements.

Previous years experienced increased maintenance costs arising from vehicle failures, replacement parts, extended repair periods and reduced fleet capacity. Management has responded through changes in vehicle make where practicable, closer cost analysis and detailed quarterly budget reviews.

OBSERVATIONS/FINDINGS

Testing comprised management discussions and review of maintenance schedules and cost reports. Completed service records and supporting compliance documentation were not inspected; therefore, the review did not independently verify completion of scheduled servicing or legislative compliance.

Asset maintenance schedules are drafted each year to manage the 250hr/500hr and other service requirements. Maintenance budgets are set according to this schedule and then actuals are reviewed at BR1 / BR2 / BR3 / EOFY – this will highlight any engine/transmission failures and/or other causes of excessive expenditure.

Cab data is manually recorded on driver 'runsheets' and keyed into the FleetMex system.

The maintenance schedules and supporting asset management documentation reviewed referred to relevant servicing, safety and heavy-vehicle requirements, including GVM-related requirements. Internal Audit did not undertake a completeness assessment of all legislation applicable to East Waste or test operating compliance against those requirements.

The new VOLVO fleet has had engineering and tyre modifications completed to increase GVM allowance by 1 tonne (Euro 6 standards) reducing payload capacity.

During the last year a review of maintenance and other significant cost areas has been undertaken. The Fleet Asset Management Plan & Strategy was drafted to provide a strategic overview, with links to the constituent councils up through the services delivered by East Waste and outlining how these services will be managed and maintained. In addition to tightened cost analysis, a project review was set up to provide a focus on FY24 rising maintenance costs, retention of aged vehicles for FOGO rounds, reduced residual values and maintenance of cashflow/borrowings. This review strengthened control over maintenance costs, vehicle retention and cashflow management, supporting improved fleet oversight.

ROOT CAUSE

Maintenance, cost and performance information is held across multiple systems, reports and manual records, limiting consolidated analysis of servicing requirements, older-vehicle retention and FOGO fleet impacts.

CURRENT RISK

MEDIUM
L = Unlikely
C = Moderate

EFFECTIVENESS

MOSTLY
Control activities generally contribute to risk mitigation

PRIORITY

MODERATE

RECOMMENDATIONS	DUE DATE
R4.0 Consolidate relevant performance, costing and servicing information to provide timely data on viable retention options for older vehicles for FOGO collections.	31/03/2027
R4.1 Program regular strategic reviews of FOGO rounds to assess fleet impacts and minimise workload on older retained vehicles.	30/04/2027

MANAGEMENT RESPONSE

R4.0 Management will review asset management plan to clearly identify performance, cost and servicing information with regard to retention options.

R4.1 Management will incorporate fleet impact considerations into the existing quarterly operational FOGO reviews.

5.0 Review options for route optimisation and assess the 'cost-benefit'.

SUMMARY

Internal Audit reviewed the current route-planning process and information used by management to consider service performance, capacity and route efficiency. Alternative route configurations were not independently modelled due to individual council area boundaries - and a quantified cost-benefit analysis was not undertaken. Therefore, the review does not conclude that existing routes represent the optimal or lowest-cost configuration. Management advised that route-efficiency considerations are incorporated when collection rounds are designed or revised, although options are constrained by fixed streets, bin locations, individual council service boundaries and other operating requirements. Experienced staff consider relevant operational variables using established run data, collection times and vehicle capacities to support route planning and service delivery. Prior to new business bids, management considers how additional rounds could be scheduled, including operating constraints associated with earlier collection times. Management advised that the data currently used for route planning is available to relevant senior staff and is referenced when reviewing service performance and future capacity. Current manual route planning, supported by established collection data and experienced staff, is considered adequate for existing operational needs.

More formal route and capacity modelling may be warranted if collection areas, service volumes or operating constraints materially change.

OBSERVATIONS/FINDINGS

Testing comprised discussion with the Manager Operational Services. Management advised that established collection data, staff experience and operational knowledge are used to plan routes within individual council boundaries.

Management advised that route options are relatively constrained by fixed streets, bin locations, individual council service boundaries and other operating requirements, limiting opportunities to consolidate collection areas across council boundaries.

Computerised collection data allows for vehicles to assist on a round as streets and bin sites are highlighted, however generally the round is completed by designated drivers and not combined.

Individual routes are mapped manually and route optimisation efficiencies incorporated whenever possible. Additional data may only become known on the day of the round i.e. residents on leave, less bins – although public holidays and seasonality are factored in where possible.

Driver sickness and leave periods also require adjustment, organising relief drivers for most efficient collections. This is currently managed manually and backed by knowledge of experienced staff.

At present, Management considers that established collection data provides a suitable basis for modelling future route changes should service volumes or collection areas expand.

ROOT CAUSE

Route analysis remains reliant on manual processes and key-person knowledge.

CURRENT RISK

LOW
L = Unlikely
C = Minor

EFFECTIVENESS

MOSTLY
Control activities generally contribute to risk mitigation.

PRIORITY

LOW

RECOMMENDATIONS	DUE DATE
R5.0 Document route-planning processes, key data sources and analytical responsibilities to reduce reliance on key-person knowledge.	30/04/2027
R5.1 Establish defined triggers for undertaking formal route and capacity modelling, such as material changes in service areas, collection volumes, fleet capacity or operating costs. Where triggered, document the options considered and associated cost, capacity and service implications.	30/04/2027

MANAGEMENT RESPONSE

R5.0 Management will document route planning processes and associated scheduling/planning methodologies.

R5.1 Management will establish trigger for route review timeframes and capacity consideration.

6.0 Assess the asset policy and asset management planning to ensure they integrate into strategic planning, LTFP and executive level decision-making.

SUMMARY	OBSERVATIONS/FINDINGS	ROOT CAUSE
The Fleet Asset Management Plan & Strategy is the key asset management documentation. Throughout the drafting of this Plan & Strategy document, reference was made to key strategic documentation; the Long-Term Financial Plan, and the executive level decision-making process. The Senior Management Team at East Waste ensures it remains well connected to the operational side of the business in addition to the strategic and decision-making level due to the size of the organisation and one main site location. The organisation places a strong emphasis on systems improvement and the annual review of key strategic documentation. While strategic integration is well aligned and the control environment is well supported, there is an opportunity to make the process more robust and resilient. The Medium risk rating reflects the potential consequence of delayed or incomplete updates to fleet assumptions affecting future budget or fleet-replacement decisions, rather than a current weakness in strategic integration.	The Fleet Asset Management Plan & Strategy has chapters listed as: (i) Introduction (ii) Strategic Link (iii) Fleet Asset Profile (iv) Levels of Service (v) Future Demands (vi) Fleet Life Cycle Management (vii) Fleet Risk Management (viii) Financial Summary (ix) Plan Improvement & Monitoring. A review of the contents verified strong links between each of these subject areas and the plan is reviewed annually as in the extract stated below: (FAMP&S p19) The Fleet Asset Management Plan & Strategy is a key document for asset planning and associated financial projections. It is referenced for developing the LTFP and Budget and reviewed annually in September, with Year 1 of the Plan being the current FY, this is strategically scheduled so it can directly inform the LTFP and Budget with reliable and up-to-date information. In November, the LTFP and assumptions from the AMP are reviewed, tested and applied to the LTFP. Updated projections from the AMP will also inform the Budget review projections, particularly Budget Review 1 as it follows the adoption of the Plan. Following that, in conjunction with Budget Review 2 the next FY Budget and all asset management activities are planned and financial projections associated with fleet assets will inform the Budget planning process– considering any known changes in assumptions for latter years of the plan.	The annual asset management planning and review process is not formally documented. **CURRENT RISK** **MEDIUM** L = Rare C = Moderate **EFFECTIVENESS** **MOSTLY** Control activities generally contribute to risk mitigation. **PRIORITY** **MODERATE**

RECOMMENDATIONS	DUE DATE
R6.0 Ensure the annual process for reviewing the Fleet Asset Management Plan & Strategy is documented, with key tasks assigned to appropriate personnel to provide continuity of this centrally linked and overarching document.	30/04/2027

MANAGEMENT RESPONSE

R6.0 Management will add a process, responsibility matrix and checklist element to the Fleet Asset Management Plan and Strategy.

7.0 Assess asset data reconciled to source documentation re. useful life estimates, valuations, inspections, depreciation, acquisitions and disposals.

SUMMARY

Internal Audit analysed selected vehicle-disposal information provided by East Waste. Testing comprised management discussions and review of the East Waste Truck Disposal and Residual Value Analysis, the draft Fleet Asset Management Plan Review FY27 and the Financial Projections to Asset Management Plan.

Calculations in the disposal analysis were checked for arithmetic accuracy, and selected disposal values were reconciled to individual disposal notifications. The analysis identified instances where actual disposal outcomes differed from asset-management assumptions. The testing did not constitute independent valuation of the vehicles or verification of every disposal transaction to underlying third-party source documentation.

Key asset-management data is reviewed annually, with additional assurance derived from the annual external financial statement audit process. Asset data is also reviewed by finance and senior management and is currently subject to an internal project review intended to improve the accuracy and currency of vehicle-lifecycle data.

OBSERVATIONS/FINDINGS

The following data was sourced via discussion with managers or review of the East Waste website and reconciled to the Fleet Asset Management Plan & Strategy, ARC 12 Nov.2025 – FY2026 Budget Review One report, Financial Projections to Asset Management Plan, Truck Disposal and Residual Value Analysis.

Useful life data – the useful life set for fleet vehicles is eight years, with depreciation set on a straight-line basis and a residual value set at $5k - as quoted in the Fleet Asset Management Plan & Strategy – September 2026. (Residual previously set at $10k). Analysis of annual maintenance costing profiles show significant costs focused around Yr 6 – Yr 8, returning to low/average costings for Yr 9 – Yr 10. **Residual Values** – When reviewing the Fleet Asset Management Plan & Strategy in September 2026, the residual value was reduced from $10k to $5k to better reflect the current vehicle resale market. However, via discussion, this was shown as conservative, with the last 6 vehicles being disposed of for values ranging from $5,332 to $13,482 and averaging $9,001 per disposal. **Valuations** - Management advised that fleet assets are reconciled annually to asset registers and insurance valuation listings, with formal revaluations undertaken every three years. The last revaluation was early 2026, prior to FY2027 renewals. **Inspections** – Management advised that inspections are undertaken in alignment with maintenance schedules before each servicing stage to confirm information such as odometer readings and vehicle condition and to facilitate the advance ordering of required parts. Internal Audit did not inspect completed records supporting individual inspections. **Depreciation** – Currently calculated on a straight-line basis and accounted for over an eight year period with a residual value set at Year 8 to reflect the vehicles lifecycle. **Acquisitions** – Are contracted at 6 years with an option for a 7th each annual cycle. This is under constant review given the need to facilitate the FOGO rounds etc. **Disposals** – Recent disposal outcomes included the last four Iveco chassis vehicles achieving more than $8,500 each at auction in January 2026.

ROOT CAUSE

Lifecycle assumptions and financial modelling require periodic review and validation.

CURRENT RISK

MEDIUM
L = Possible
C = Minor

EFFECTIVENESS

MOSTLY
Control activities generally contribute to risk mitigation.

PRIORITY

MODERATE

RECOMMENDATIONS	DUE DATE
R7.0 Periodically analyse actual vehicle-disposal outcomes against the useful-life, residual-value and replacement assumptions used in asset planning, and document whether the results indicate that those assumptions require adjustment.	30/06/2027
R7.1 Incorporate sensitivity analysis into fleet financial modelling to assess changes in useful lives and residual values on depreciation and financial projections.	30/06/2027

MANAGEMENT RESPONSE

R7.0 Management will implement a review annually as disposal activities are undertaken to test assumptions.

R7.1 Management will incorporate sensitivity analysis into the financial modelling.

8.0 Assess current asset valuation methods to ensure appropriate and aligned to industry best practice with an assessment as to whether additional expertise is required.

SUMMARY	OBSERVATIONS/FINDINGS	ROOT CAUSE
The Manager Business Services advised that vehicles and buildings are externally revalued for insurance purposes every three years. Comparison with other waste authorities did not establish a standard frequency. Internal Audit did not assess the technical valuation methodology or market test individual valuations. The review did not identify an issue in relation to the three-year insurance valuation frequency; however, it was noted that insurance valuations serve a different purpose from financial-reporting valuations. East Waste records individual vehicle disposal prices and auction outcomes. Disposal values reviewed by Internal Audit were reconciled to individual disposal notifications without discrepancy. Periodic analysis of this information would support assessment of resale trends, residual-value assumptions and strategic vehicle-retention decisions. The review did not establish whether the available data was sufficient to identify broader market trends. The recommendation is an improvement opportunity relating to periodic analysis of recorded disposal outcomes to support vehicle-retention decisions.	Management advised that vehicles and buildings are externally revalued for insurance purposes every three years. Comparison with other waste authorities did not establish a standard valuation frequency. Internal Audit did not assess the technical valuation methodology, individual insured values or whether valuations remained adequate between formal valuation dates. The review did not identify an issue requiring recommendation in relation to the three-year insurance valuation frequency. Calculations in the disposal analysis and disposal values were checked against individual disposal notifications, with no discrepancies identified. This testing did not verify all fleet costs, maintenance or lifecycle data. Website information from metropolitan Adelaide waste collection and local government sources indicates that fleet assets are managed as operational assets supporting service delivery, with emphasis on lifecycle planning, maintenance, renewal, replacement, disposal, compliance, risk and value-for-money outcomes. The Finance Business Partner at East Waste maintains vehicle records allowing for close scrutiny over fleet costs, economic life cycles, maintenance and residual values. Vehicle values and related fleet information are monitored by the Finance Business Partner, with relevant changes in disposal outcomes, vehicle availability, lifecycle expectations and fleet-management information reported to management to support strategic decision-making.	Disposal outcomes are not periodically analysed to identify resale trends and inform vehicle-retention decisions. **CURRENT RISK** **LOW** L = Unlikely C = Minor **EFFECTIVENESS** **MOSTLY** Control activities generally contribute to risk mitigation. **PRIORITY** **LOW**

RECOMMENDATIONS	DUE DATE
R8.0 Maintain a complete record of vehicle-disposal outcomes and periodically compare actual sale proceeds with carrying values, assumed residual values, vehicle age, kilometres, maintenance history and disposal method. Use the analysis to inform residual-value assumptions and strategic vehicle-retention decisions.	30/06/2027

MANAGEMENT RESPONSE

8.0 Management will capture historical sales data for comparison against defined parameters.

9.0 Assess existing technology as opposed to new technology with regard to preventing obsolescence of fleet vehicles.

SUMMARY

Management explained the use of 3XLogix and related data streams for operational monitoring, vehicle-location information, communication with drivers, missed-collection enquiries and day-to-day collection management. Internal Audit did not undertake technical system testing or independently validate every stated system capability. Current data streams, supplemented by daily driver reporting, support existing fleet-management and operational requirements.

Future service growth and increasing reporting requirements may require additional technology capability, integration and data-management solutions.

Emerging fleet technology and industry developments should therefore be considered periodically as part of future fleet procurement and replacement planning.

Future fleet-capability assessments should consider relevant developments in emissions, alternative fuels, electric or hydrogen capability, parts availability and lifecycle costs. The assessments should also consider current system capability, expected service growth, reporting requirements, integration, data quality, cyber security, business-continuity requirements and other relevant fleet-technology developments.

OBSERVATIONS/FINDINGS

Discussion with Operational Services Manager undertaken to understand fleet operations.

Fleet = 57 vehicles, increased from 37 in 2014. Vehicles operate with 3Logix technology across the fleet, covering all rounds within the 8 x constituent council areas.

Data in place to:

- *allow for identification of locations,*
- *reduce time wasted in tracking back/maximise efficiencies of re-routing when/if issues arise,*
- *allow customer services to advise customers in real-time on any delayed/re-routed rounds,*
- *enable communications with specific drivers in the event of localised issues,*
- *enable back up of drivers if issues with trucks/lifting gear/related mechanical issues,*
- *substantiate any missed collection claims,*
- *identify best/most time effective methods of undertaking rounds on a given day,*
- *allow for joint working of trucks if delays/breakdowns/additional pickups required,*
- *allow real-collection data to inform any strategic discussion regarding route changes/collection optimisation suggestions.*

Current data is extracted and collated and, based on the evidence reviewed and management discussion, appears adequate to support current business needs.

Shortly there may be opportunities to increase the FOGO rounds, increase council areas and/or take on additional recycling provisions such as batteries, tyres, e-waste and similar. Recent dashboard analytics have been developed from current data streams to inform each constituent council. As this dashboard function matures, further data and more timely updates may be required, which will then prompt an evaluation of existing information retrieval and performance data feeds.

ROOT CAUSE

Future fleet technology and data requirements are not formally assessed against anticipated service growth and reporting needs.

CURRENT RISK

LOW
L = Unlikely
C = Minor

EFFECTIVENESS

MOSTLY
Control activities generally contribute to risk mitigation

PRIORITY

LOW

RECOMMENDATIONS

R9.0 Develop a documented fleet capability assessment, capturing emerging industry developments, expected service growth, reporting requirements, data quality and business continuity requirements to inform fleet procurement and support replacement decisions.

DUE DATE

30/06/2027

MANAGEMENT RESPONSE

R9.0 Management will incorporate a fleet capability assessment, as detailed, for inclusion in the Fleet Asset Management Plan and Strategy.

Appendix A – Audit Scope

UHY Connect to possibility

EastWaste

INTERNAL AUDIT PLAN 2025 - 2027

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

2025/26	Schedule	Reference	Risk	Report to ARC	Rating/ Source	Detail	*Approved - A&RC 18/06/25*
Yr 1/Q3	Apr/May	**Asset Management**	SR10	Jun-26	48%	Assessment across fleet/tools/inspections/replacement schedules etc	

Type	**Assurance/Strategic**
Strategic Risk	SR10 - Existing Assets fail to meet the minimum requirements for current operating needs and future growth.
Objective	**To assess the maturity of asset management methodolgy, mechanisms, compliance and strategic, forward planning processes.**
Background	• Identified via the Assurance Mapping process and in reference to the strategic/high operational risk registers of the organisation. • Further discussion at the A&RC meeting in June 2025 resulted in approval for inclusion in the 2025/26 - Year 1 Work Plan. • Internal Audit scope presented to the East Waste Audit & Risk Committee in September 2025 in order to finalise prior to commencement on site in January 2026.
Scope	- To undertake a review of the: - detail in Asset Management Plans, policy, procedure and processes to ensure cohesive approach - asset management detail in the organisational risk registers to ensure updated and pertinent - recent external audits to ensure all outstanding recommendations/comments are incorporated for review into this audit - asset maintenance schedules to the Asset Management Plan(s) and ensure compliance with any related legislative requirements - options for route maximisation and assess the 'cost vs benefit' - To assess the adequacy and appropriateness of: - the asset policy and asset management planning to ensure they integrate into strategic planning, LTFP and executive level decision-making - asset data reconciled to source documentation re: useful life estimates, valuations, inspections, depreciation, acquisitions & disposals - current asset valuation methods to ensure appropriate and aligned to industry best practice with an assessment as to whether additional expertise is required. - existing technology as opposed to new technology, with regard to preventing obsolescence of fleet vehicles - Additional items as may become apparent during testing
Methodology	- Review of key asset management documentation and renewal scheduling - Interviews with executive management/vehicle support staff - Walkthough observations/ site inspections as relevant - Identify/reconcile demands of workloads and resources - Undertake an asset management maturity assessment - Review impacts from pending legislation/industry advancements - Assessment of waste management growth areas/future options

Appendix B – Risk Management

Strategic Risk Matrix

	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 is some circumstances	Excellent	Pro-Active	Weekly/Monthly
Extreme	Unacceptable in most circumstances	Excellent	Pro-Active	Daily/Weekly

Risk Consequence Table

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

Appendix C – East Waste Strategic Risk Register – Asset Management

EAST WASTE Strategic Risk Register														
Risk ID	Risk Title	Risk Description	Date of Risk Identification	Risk Category	Possible Causes/ Risk Events	Possible Consequences	Inherent Risk	Current Risk	Review Frequency	Control Details	Control Effectiveness	Last Review Date	Next Review Date	Forecast Risk
GOV-02	Legislative & Regulatory Compliance	**Failure to identify, understand and comply with applicable legislation, regulations, licences, standards and contractual obligations may result in penalties, prosecution, service restrictions, financial loss and reputational damage.**	27/07/2026	Legal & Compliance	Failure to identify, understand and comply with applicable legislation, regulations, licences, standards and contractual obligations	Penalties, prosecution, service restrictions, financial loss and reputational damage	**High**	**Medium**	**Quarterly**	Compliance obligation monitoring; policy/procedure framework; management review; internal audit; training; leadership reporting.	Effective - monitor	27/07/2026	27/10/2026	**Medium**
FIN-02	Asset Renewal Funding	**Failure to effectively manage asset renewal funding and related financial controls, reporting, insurance, funding or agreement management arrangements may result in operational, WHS, compliance, financial or reputational impacts.**	27/07/2026	Financial	Failure to effectively manage asset renewal funding and related financial controls, reporting, insurance, funding or agreement management arrangements	Operational, WHS, compliance, financial or reputational impacts	**High**	**Medium**	**Annual**	Budget controls; reconciliations; financial reporting; approvals; insurance review; claims process; audit oversight.	Adequate - review as scheduled	27/07/2026	27/07/2027	**Medium**
FIN-03	Insurance Adequacy	**Inadequate insurance coverage, poor claims management or failure to meet policy conditions may result in uninsured losses, increased premiums, financial exposure and operational impacts following an incident.**	27/07/2026	Financial	Inadequate insurance coverage, poor claims management or failure to meet policy conditions	Uninsured losses, increased premiums, financial exposure and operational impacts following an incident	**High**	**Medium**	**Quarterly**	Annual insurance review; broker/LGRS engagement; asset information review; claims management process; incident evidence retention.	Effective - monitor	27/07/2026	27/10/2026	**Medium**
FIN-04	Asset Valuation & Financial Reporting	**Failure to effectively manage asset valuation & financial reporting and related financial controls, reporting, insurance, funding or agreement management arrangements may result in operational, WHS, compliance, financial or reputational impacts.**	27/07/2026	Financial	Failure to effectively manage asset valuation & financial reporting and related financial controls, reporting, insurance, funding or agreement management arrangements	Operational, WHS, compliance, financial or reputational impacts	**High**	**Medium**	**Annual**	Budget controls; reconciliations; financial reporting; approvals; insurance review; claims process; audit oversight.	Adequate - review as scheduled	27/07/2026	27/07/2027	**Medium**

Appendix D – East Waste - Risk Management Framework - Managing Risk Priority

Risk level	Managing risk – priority rating

Extreme	• Add risk to East Waste's Risk Register
	• Escalate risk issue immediately to General Manager/ Executive Leadership Team
	• General Manager/ Executive Leadership Team to:
	  ○ Refer risk to risk owner
	  ○ Identify and develop treatment strategies for immediate action
	  ○ Monitor and review actions/strategies
	  ○ Provide direction and information to relevant stakeholders
	  ○ Inform the next meeting of the Audit and Risk Management Committee of the risk issue, the actions taken to mitigate the risk and the outcome (or current status)
	• Consider cessation/suspension of the activity giving rise to the risk until such time as General Manager/ Executive Leadership Team authorises its continuation and/or whilst other risk treatment strategies are being developed/ implemented
	
	For WHS related risks, the following applies:
	  ○ Operation of item or activity should not be allowed to continue until the risk level has been reduced
	  ○ Will commonly be an unacceptable level of risk
	  ○ May include both short term and long term control measures

High	• Add risk to East Waste's Risk Register
	• Escalate risk issue to Executive Leadership Team/ Manager Corporate Services to:
	  ○ Refer to relevant risk owner
	  ○ Identify and develop treatment strategies with appropriate timeframes
	  ○ Monitor and review actions/strategies to manage risk to an acceptable level
	  ○ Provide direction and information to relevant stakeholders
	  ○ Inform the next meeting of the Audit and Risk Management Committee of the risk issue, the actions taken to mitigate the risk and the outcome (or current status)
	For WHS related risks, the following applies:
	  ○ Reduce the risk rating so far as is reasonably practicable
	  ○ Should only be an acceptable level of risk for 'Major' or 'Catastrophic' consequences

Moderate	• Add risk to East Waste's Risk Register
	• Escalate to relevant manager
	• Relevant manager to coordinate with relevant work group to:
	  ○ Identify and develop treatment strategies with appropriate timeframes
	  ○ Monitor and review actions/strategies to manage risk to an acceptable level
	For WHS related risks, the following applies:
	  ○ Reduce the risk rating so far as is reasonably practicable. May be an acceptable level of risk

Low	• Add risk to East Waste's Risk Register • Undertake localised risk management & actions (if required) • Review within the department parameters and routine procedures For WHS related risks, the following applies: ○ Reduce the risk rating so far as is reasonably practicable. Commonly is an acceptable level of risk

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UHY Haines Norton
Chartered Accountants

25 Peel Street
Adelaide SA 5000
Phone 8110 0999 (office)
Email adelaide@uhyhnadl.com.au

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9.4 Internal Audit Progress Tracking Schedule

Report Author:	Acting Manager Business Services
Attachments:	A: East Waste Internal Audit Recommendation 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 - East Waste Internal Audit Progress Tracking Schedule (*Item 9.4, Audit & Risk Management Committee Meeting, 11 November 2026).*

Background

East Waste's first internal audit cycle commenced 1 July 2025, marking the commencement of East waste's two (2) year Internal Audit Work Plan.

Three audits have since been undertaken, being Payroll, Business continuity, and most recently, Asset Management, finalised in October 2026.

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.

Discussion

The Internal Audit Progress Tracking Schedule is presented at **Attachment A** detailing the outstanding recommendations across all internal audits, including the corresponding risk rating, effectiveness, priority, and Management comments inclusive of up-to-date progress against each action item.

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

Summary of Findings and Recommendations - Progress Tracking

Ref. #	PAYROLL AUDIT	Recommendations	Risk Rating	Effectiveness	Priority	Management Response	Expected Completion Date	Status	Revised Completion Date	Comments
10	Review of employment contract details with specific focus on contractor/employee status and superannuation arrangements.	**R10.1** Establish a process for paying ARC independent members superannuation, to be activated once SALGFMG confirm details.	MEDIUM	Partially Effective	High	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	Commenced	31/10/2026	East Waste has obtained superannuation details from Independent Audit & Risk Management Committee members, and have processed a backpayment of superannuation for member dated back to 1 July 2025. Administration is currently considering a backpayment dating back five (5) financial years, given the updated recent information from UHY Haines Norton. Further information will be provided at the next meeting cycle.
Ref. #	**BUSINESS CONTINUITY AUDIT**	**Recommendations**	**Risk Rating**	**Effectiveness**	**Priority**	**Management Response**	**Expected Completion Date**	**Status**	**Revised Completion Date**	**Comments**
1	Policy / Framework / Plan / Business Impact Assessment – are in place and consistent across the organisation.	**R1.1** Draft a Business Continuity Policy in order to set the policy position for the organisation with regard to the management of Business Continuity events. **R1.2** Review the Business Continuity Framework (as a separate document) to ensure it is updated to the business needs in order to support the policy position. **R1.3** Review the Business Continuity Plan (as a separate document) to incorporate updated operational information and key templates to aid response and recovery and become a 'living document'.	MEDIUM	Partially Effective	High	R1.1: East Waste will draft a Business Continuity Policy that establishes the organisation's objectives, governance responsibilities, approval requirements and commitment to the effective management of business continuity events. R1.2: East Waste will review and update the Business Continuity Framework as a separate document. The Framework will define the governance structure, roles, escalation arrangements and relationship between business continuity, incident management and emergency management. R1.3: East Waste will review and update the Business Continuity Plan as a separate operational document. The Plan will include current operational information, activation and stand-down arrangements, role and contact details, response and recovery procedures, and supporting checklists and templates. A document owner and regular review process will be established so that the Plan is maintained as a living document.	31/10/2026	Commenced	30/11/2026	Business Continuity Policy and separate Framework have been drafted. The operational Business Continuity Plan is under review. A controlled Business Impact Assessment template has been developed; completion of the organisation-wide BIA, finalisation of the Plan and formal approval remain outstanding.
2	Review the Response to Local Incidents, the Incident Management roles are identified and that staff have undertaken appropriate training.	**R2.1** Develop tools (checklists, contact lists, posters incident management and reporting templates - SITREPs etc) to prompt required actions in the event of local disruptive incidents. **R2.2** Formally identify staff members as part of the Incident Management Team, display IMT details at vantage points around the work site and offices to aid identification of individuals. **R2.3** Ensure constituent councils provide contact information and that this is updated at least six monthly via a standing agenda item on the WHS Committee.	MEDIUM	Partially Effective	High	R2.1: East Waste will develop and incorporate into the Business Continuity Plan a practical suite of local incident response tools, including activation and response checklists, emergency contact lists, visual prompts, situation reporting templates and incident record templates. R2.2: East Waste will formally nominate primary and alternate members of the Incident Management Team, document their roles and responsibilities, and display current IMT role and contact information at appropriate locations within the office, depot and other relevant work areas. R2.3: East Waste will obtain nominated emergency and business continuity contacts from each constituent council. The contact list will be reviewed at least every six months through a standing Emergency Planning Committee agenda item, with relevant updates reported through the WHS Committee.	31/10/2026	Commenced	31/01/2027	Development has commenced through the preparation of local incident-response templates and tools for inclusion in the Business Continuity Plan. Formal nomination of primary and alternate Incident Management Team members, workplace displays and the six-monthly council contact-validation process remain outstanding.

3	Response to More Widespread Incident, the Incident Management roles are identified and that staff have undertaken appropriate training.	**R3.1** Develop relationships with constituent councils Emergency Response teams and/or relevant Zone Emergency Management Committees to ensure ease of contact in the event of an emergency/business disruptive event that cuts across boundaries/affects larger areas. **R3.2** Investigate ways to strengthen relationships across the customer service, communications and emergency response teams within each of the constituent councils and undertake regular contact/update sessions.	**MEDIUM**	**Partially Effective**	**Moderate**	R3.1: East Waste will identify and establish contact with the emergency response functions of each constituent council and the relevant Zone Emergency Management Committee or other applicable emergency-management network. These contacts and escalation pathways will be documented in the Business Continuity Plan. R3.2: East Waste will establish regular liaison arrangements between its operational, customer service and communications staff and the equivalent functions within constituent councils. The liaison arrangements will include periodic contact-list validation, information-sharing and discussion of cross-boundary disruption and communication arrangements.	30/11/2026	Not Started	28/02/2027	Council emergency-response and relevant emergency-management contacts and liaison arrangements have not yet been formally established. This work will follow completion of the council contact register and confirmation of escalation pathways.
4	Review the level of Business Continuity communication with constituent Councils.	**R4.1** Draft a Business Continuity Communications Plan **R4.2** Draft pre-approved scripts for internal and external updates, for emails and websites and SMS updates to staff. **R4.3** Include the use of these scripts in training/toolbox exercises to ensure they are embedded within internal practices.	**MEDIUM**	**Partially Effective**	**High**	R4.1: East Waste will develop and approve a Business Continuity Communications Plan that defines communication responsibilities, approval and escalation pathways, key audiences, communication channels, nominated spokespersons and arrangements for communicating with constituent councils during and following a disruptive event. R4.2: East Waste will prepare adaptable, pre-approved communication templates for internal staff updates, constituent council notifications, customer emails, website notices, social media updates and staff SMS messages. The templates will include initial notification, ongoing service update and return-to-normal messages. R4.3: East Waste will incorporate the use of the Communications Plan and templates into relevant toolbox sessions, training and business continuity exercises. Exercise and event debriefs will be used to identify and implement required improvements to the scripts and communication process.	30/11/2026	Commenced	31/01/2027	A Business Continuity Communications Template Pack has been drafted, including adaptable customer, website, ongoing-disruption and return-to-normal notices. The overarching Communications Plan, approval pathways, nominated spokespersons and testing through toolbox or desktop exercises remain outstanding.
5	Review the level of Business Continuity communication with key third party contractors/ suppliers.	**R4.1** Draft a Business Continuity Communications Plan **R4.2** Draft pre-approved scripts for internal and external updates, for emails and websites and SMS updates to staff. **R4.3** Include the use of these scripts in training/toolbox exercises to ensure they are embedded within internal practices.	**MEDIUM**	**Partially Effective**	**Moderate**	R5.1: East Waste will identify its critical third-party contractors and suppliers and maintain a current register within, or referenced by, the Business Continuity Plan. The register will include primary and alternate contacts, services provided, critical dependencies, escalation arrangements and relevant continuity information. The register will be reviewed periodically as part of the Business Continuity Plan review process. R5.2: East Waste will assess the continuity requirements applicable to each critical contractor or supplier. Where continuity obligations are not adequately documented in an existing contract or service arrangement, East Waste will establish an appropriate written continuity statement, service-level requirement or contract provision addressing matters such as service restoration, communication during disruptions, temporary resources, alternative facilities and other necessary contingency arrangements.	30/11/2026	Commenced	28/02/2027	A template/register structure has been developed to record critical contractors and suppliers, contact details, dependencies, escalation arrangements and continuity requirements. The register must now be populated and existing contracts or service arrangements reviewed.

6	Assessment of Links to the IT Provision and Disaster Recovery Plan at East Waste.	**R6.1** Undertake a Business Impact Assessment to capture all the IT systems currently in use at East Waste and assign them a priority rating. **R6.2** Liaise with the IT external provider to draft an accurate and updated IT Disaster Recovery Plan (IT DRP), addressing the priorities as ranked in the Business Impact Assessment. (see R6.1) **R6.3** Manager Business Services to schedule a desktop exercise to include IT failures and telephony system outages to raise Business Continuity awareness amongst admin based staff, with outcome of the desktop exercise to be used as a training resource.	**LOW**	**Partially Effective**	**Low**	R6.1: East Waste will complete a Business Impact Assessment covering the IT systems and technology-dependent business processes used across the organisation. The assessment will identify system owners, operational dependencies, maximum acceptable outages, recovery priorities and required recovery time and recovery point objectives, where applicable. R6.2: Using the approved Business Impact Assessment, East Waste will engage its IT service provider, New Era, to develop or update the IT Disaster Recovery Plan. The IT DRP will document recovery priorities, responsibilities, escalation and communication arrangements, backup and restoration requirements, key dependencies and testing arrangements. R6.3: The Manager Business Services will schedule and document a desktop exercise involving an IT failure and telephony outage. The exercise will test escalation, manual workarounds, communication and recovery arrangements. Outcomes and improvement actions will be recorded, allocated and used as a training resource and to update the Business Continuity Plan and IT DRP.	28/02/2027	Commenced	28/02/2027	A controlled Business Impact Assessment template has been developed and includes criticality, dependencies, maximum acceptable outage, RTO and RPO fields. The assessment has not yet been completed across East Waste. Following approval, outcomes must be provided to New Era to update the ICT Disaster Recovery Plan and inform the IT and telephony desktop exercise.
7	Business Continuity detailed in Organisational Risk Registers.	**R7.1** Review the controls listed against SR7 on the Strategic Risk Register to ensure all are current, addressing any that have lapsed as a priority. **R7.2** Review the Additional Controls cited to ensure all related actions have been completed or are completed as a priority. **R7.3** Ensure Business Continuity exercises and related documentation are updated to the controls listed once undertaken.	**MEDIUM**	**Partially Effective**	**High**	R7.1: East Waste will review each existing control recorded against Strategic Risk SR7 to confirm whether it is current, implemented, operating and supported by evidence. Controls that are outdated, lapsed or not operating as described will be corrected or escalated for priority action. R7.2: East Waste will review all additional controls and improvement actions recorded against SR7, confirm their status, assign responsibility and target dates to outstanding actions, and record completion evidence in the Strategic Risk Register or supporting action register. R7.3: Following each business continuity exercise or relevant disruptive event, East Waste will review SR7 and its supporting controls against the exercise or debrief outcomes. The Strategic Risk Register, Business Continuity documentation and associated action records will be updated where the exercise identifies a control gap or change in risk exposure.	28/07/2027	Not Started		Strategic Risk SR7 controls and additional actions remain to be reviewed. This review is scheduled after approval of the Business Continuity Policy, Framework, Plan and completed Business Impact Assessment so the risk register reflects the approved arrangements.
8	Assessment of recent Business Continuity Response/Recovery Exercises and Lessons Learnt in the Debrief.	**R8.1** Raise awareness across the organisation for Business Continuity, the documentation, the key staff and the aim of returning to 'business as usual' as promptly as possible. **R8.2** Ensure debriefs are held to consolidate learnings, check on staff well-being, record outcomes and ensure a maturing of Business Continuity knowledge across the organisation. **R8.3** Create a series one-page A3 poster format displays to provide another means of raising awareness, clearly presenting Business Continuity information, eg: the responses requiring activation of the Business Continuity Plan, when and how these responses should be activated and what key actions should be undertaken including post event debriefs	**HIGH**	**Ineffective**	**High**	R8.1: East Waste will deliver organisation-wide business continuity awareness activities following approval of the revised documentation. The activities will explain when the Business Continuity Plan is activated, key roles and contacts, staff responsibilities and the objective of maintaining critical services and returning safely to normal operations. R8.2: East Waste will establish a standard debrief process for business continuity exercises and actual disruptive events. The process will address operational performance, communications, staff wellbeing, lessons identified, required corrective actions, responsible officers and target dates. Debrief records and evidence of action completion will be retained. R8.3: East Waste will develop and display a series of one-page visual guides covering activation and escalation, key contacts and roles, immediate response actions, communication requirements, recovery and stand-down, and post-event debriefing. The guides will be referenced during induction, toolbox sessions and business continuity exercises and reviewed when the Plan is updated.	28/02/2027	Commenced		Supporting exercise, incident-record and debrief template development has commenced as part of the Business Continuity template suite. Organisation-wide awareness activities, one-page A3 visual guides and implementation of the formal debrief process remain outstanding and will follow approval of the revised documents.

9	Corporate Business Continuity Training and Resources in Place.	**R9.1** Develop a series of templates and pre-approved scripts for internal and external updates, via email, websites and social media updates in order for East Waste to review and modify as needed for their organisation and operations. **R9.2** Schedule regular Business Continuity training as per the renewed TNA and consider inviting members from the constituent member councils when/where appropriate as a networking opportunity.	**HIGH**	**Ineffective**	**High**	R9.1: East Waste will develop a controlled suite of business continuity templates and adaptable, pre-approved scripts for staff, council, customer, website and social media communications. The templates will be incorporated into the Business Continuity Plan, assigned a document owner and reviewed following exercises, events and scheduled document reviews. R9.2: East Waste will include business continuity and relevant emergency-management training in the Training Needs Analysis and annual training program for identified roles. Training will include periodic awareness activities and practical exercises. Constituent council representatives will be invited to participate where the exercise or training provides a relevant opportunity to test shared communication and coordination arrangements.	28/02/2027	Commenced		The controlled communications template pack and supporting business continuity resources have been drafted. Business continuity training still needs to be added to the Training Needs Analysis and annual training program, with role-based awareness and practical exercises scheduled and attendance evidence retained.
10	Review that Business Continuity and Workplace Emergency Management Plans are in Place and Reviewed.	**R10.1** Formally review the Emergency Planning Committee (EPC) and ensure membership includes representation from each constituent council, as well as key specialists from within East Waste itself. **R10.2** Set two meeting dates per year (six monthly and 2 weeks prior to a H&S Committee date) to ensure issues can be presented and reported immediately through to the H&S Committee for discussion and/or actioning. **R10.3** –Review the Terms of Reference for the EPC to clarify the remit of the EPC, its scope, and the need to present EPC Minutes to the following H&S Committee. **R10.4** Draft and approve an annual workplan to enable the required emergency management related actions to be undertaken in the time between meetings.	**MEDIUM**	**Partially Effective**	**High**	R10.1: East Waste will formally re-establish the Emergency Planning Committee and confirm its membership. Membership will include appropriate East Waste operational, WHS, communications and management representation, together with constituent council representation or nominated liaison arrangements as appropriate. R10.2: East Waste will establish two EPC meetings each year, scheduled approximately six months apart and, where practicable, at least two weeks before a WHS Committee meeting. EPC minutes, recommendations and matters requiring action will be reported to the next WHS Committee meeting. R10.3: East Waste will review and approve the EPC Terms of Reference to clearly define its purpose, scope, authority, membership, meeting frequency, quorum, recordkeeping requirements and reporting relationship with the WHS Committee. R10.4: The EPC will prepare and approve an annual workplan covering emergency-plan review, exercise scheduling, training and awareness, contact-list validation, identified improvement actions, reporting obligations and follow-up of exercise or incident learnings.	30/04/2027	Not Started		Emergency Planning Committee membership, constituent council liaison arrangements, meeting schedule, Terms of Reference and annual workplan remain to be formally established and approved.

Ref. #	ASSET MANAGEMENT	Recommendations	Risk Rating	Effectiveness	Priority	Management Response	Expected Completion Date	Status	Revised Completion Date	Comments
1	Review detail in Asset Management Plans, policy, procedure and processes to ensure cohesive approach.	**R1.0** Undertake and document a gap assessment of the asset management policies, procedures and assigned responsibilities required to support the Fleet Asset Management Plan & Strategy and develop an implementation timetable for any documents or responsibilities identified as necessary.	**MEDIUM**	**Mostly Effective**	**Moderate**	**R1.0** Management will undertake the gap assessment develop an implementation timetable as necessary.	28/02/2027	Not Started		
2	Review asset management detail in the organisational risk register to ensure updated and pertinent.	**R2.0** Ensure risks arising from extended vehicle-retention periods are appropriately captured in the risk register, including increased or deferred maintenance costs and scheduling requirements. **R2.1** Consider whether risks associated with future service expansion, additional recycling streams and material changes in fleet capacity are adequately captured in the strategic risk register or as an emerging risk, and document the outcome.	**MEDIUM**	**Mostly Effective**	**Moderate**	**R2.0** Management will review and update the risk register to reflect any change in risk exposure from extended vehicle retention periods. **R2.1** Management will review the strategic risk register to consider future service expansion or additional material streams/changes and corresponding fleet capacity.	28/02/2027	Not Started		

4	Review asset maintenance schedules to the asset management plan to ensure compliance with any legislative requirements.	**R4.0** Consolidate relevant performance, costing and servicing information to provide timely data on viable retention options for older vehicles for FOGO collections. **R4.1** Program regular strategic reviews of FOGO rounds to assess fleet impacts and minimise workload on older retained vehicles.	**MEDIUM**	**Mostly Effective**	**Moderate**	**R4.0** Management will review asset management plan to clearly identify performance, cost and servicing information with regard to retention options. **R4.1** Management will incorporate fleet impact considerations into the existing quarterly operational FOGO reviews.	30/03/2027 & 30/04/2027	Not Started		
5	Review detail in Asset Management Plans, policy, procedure and processes to ensure cohesive approach.	**R5.0** Document route-planning processes, key data sources and analytical responsibilities to reduce reliance on key-person knowledge. **R5.1** Establish defined triggers for undertaking formal route and capacity modelling, such as material changes in service areas, collection volumes, fleet capacity or operating costs. Where triggered, document the options considered and associated cost, capacity and service implications.	**LOW**	**Mostly Effective**	**Low**	**R5.0** Management will document route planning processes and associated scheduling/planning methodologies. **R5.1** Management will establish trigger for route review timeframes and capacity consideration.	30/04/2027	Not Started		
6	Assess the asset policy and asset management planning to ensure they integrate into strategic planning, LTFP and executive level decision-making.	**R6.0** Ensure the annual process for reviewing the Fleet Asset Management Plan & Strategy is documented, with key tasks assigned to appropriate personnel to provide continuity of this centrally linked and overarching document.	**MEDIUM**	**Mostly Effective**	**Moderate**	**R6.0** Management will add a process, responsibility matrix and checklist element to the Fleet Asset Management Plan and Strategy.	30/04/2027	Not Started		
7	Assess asset data reconciled to source documentation re. useful life estimates, valuations, inspections, depreciation, acquisitions and disposals.	**R7.0** Periodically analyse actual vehicle-disposal outcomes against the useful-life, residual-value and replacement assumptions used in asset planning, and document whether the results indicate that those assumptions require adjustment. **R7.1** Incorporate sensitivity analysis into fleet financial modelling to assess changes in useful lives and residual values on depreciation and financial projections.	**MEDIUM**	**Mostly Effective**	**Moderate**	**R7.0** Management will implement a review annually as disposal activities are undertaken to test assumptions. **R7.1** Management will incorporate sensitivity analysis into the financial modelling.	30/06/2027	Not Started		
8	8.0 Assess current asset valuation methods to ensure appropriate and aligned to industry best practice with assessment as to whether additional expertise is required.	**R8.0** Maintain a complete record of vehicle-disposal outcomes and periodically compare actual sale proceeds with carrying values, assumed residual values, vehicle age, kilometres, maintenance history and disposal method. Use the analysis to inform residual-value assumptions and strategic vehicle-retention decisions.	**LOW**	**Mostly Effective**	**Low**	**8.0** Management will capture historical sales data for comparison against defined parameters.	30/06/2027	Not Started		
9	Assess existing technology as opposed to new technology with regard to preventing obsolescence of fleet vehicles.	**R9.0** Develop a documented fleet capability assessment, capturing emerging industry developments, expected service growth, reporting requirements, data quality and business continuity requirements to inform fleet procurement and support replacement decisions.	**LOW**	**Mostly Effective**	**Low**	**R9.0** Management will incorporate a fleet capability assessment, as detailed, for inclusion in the Fleet Asset Management Plan and Strategy.	30/06/2027	Not Started		

9.5 Proposed Acceptable Use of Artificial Intelligence Policy

Report Author:	Principal Consultant, Clearly Strategic
Responsible Officer:	General Manager
Attachments:	A: Draft Acceptable Use of Artificial Intelligence Policy

Purpose and Context

The Audit & Risk Management Committee at their meeting of 16 September 2026 recommended that Administration develop an Acceptable Use of Artificial Intelligence Policy to guide East Waste employees.

This report presents the Proposed Use of Artificial Intelligence Policy (Policy) (**Attachment A**) for the Audit & Risk Management Committee's consideration.

Recommendation

That the Audit & Risk Management Committee having considered the proposed Acceptable Use of Artificial Intelligence Policy, Item 9.5, Attachment A, Audit & Risk Management Committee Meeting 11 November 2026:

1. ***Note the governance, operational, safety, privacy, cyber security, records, procurement and reputational risks associated with East Waste's use of Artificial Intelligence.***
2. ***Endorse the proposed Acceptable Use of Artificial Intelligence Policy and adoption by the East Waste Board.***
3. ***Recommend that the General Manager appoint an Accountable Officer before the Policy commences.***
4. ***Request quarterly implementation and risk reports for the first 12 months of the operation of the Policy, followed by a review of reporting frequency and approval thresholds.***
5. ***Request a post-implementation review after 12 months, in addition to the Policy's formal two-year review cycle.***

Strategic Link

Objective 5. Provide Leadership

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

Background

The Audit & Risk Management Committee at their September 2026 meeting recommended that Administration consider drafting a policy to provide guidance for employees using artificial intelligence (AI) as part of their roles. According the draft Acceptable Use of Artificial Intelligence Policy (Policy) treats AI as a support tool rather than a substitute for accountable decision-making

Discussion

The proposed Acceptable Use of Artificial Intelligence Policy provides a sound foundation for the responsible use of artificial intelligence at East Waste. It establishes human accountability, restricts information use, prevents unapproved operational deployment, introduces risk-based approvals and gives the Committee an explicit role in oversight of High-risk use cases.

The Policy treats Artificial Intelligence (AI) as a support tool rather than a substitute for accountable decision-making.

The Policy provides a clear and practical framework for using AI safely. It keeps people accountable, limits the information that may be entered into AI tools, prevents unapproved operational and system use, and applies stronger controls as risk increases.

AI errors or failures could affect workers, vehicles and plant, road and site safety, environmental controls, customers, Constituent Councils, official records and East Waste's reputation. The Policy responds by requiring approved tools, human review, risk assessment, formal approval, monitoring, incident reporting and fallback arrangements.

Registration of AI use and assessment are required when AI may influence decisions about people or councils, form part of vehicles, plant, operations, customer services or core systems, use sensitive information, act independently, trigger another system, create extreme risk or become an extreme operational dependency.

Routine drafting, summarising, brainstorming, transcription and research using an approved AI tool generally do not require registration where only suitable information is used and a person checks the output.

The approval matrix (**Appendix A**) escalates control requirements according to the highest credible consequence of error, misuse, unavailability or compromise. Low-risk use is managed by the relevant manager; medium-risk use by the Accountable Officer; high-risk use by the General Manager and the Audit & Risk Management Committee; and extreme-risk use by the East Waste Board with independent assurance.

The Draft Acceptable Use of Artificial Intelligence Policy provides a sound foundation for the

Conclusion

The Policy is appropriately cautious for East Waste's operating environment, where inaccurate or compromised AI may affect workers, vehicles and plant, road and site safety, environmental controls, customer services, member councils, records and organisational reputation. The strongest features are the prohibition on unapproved tools and integrations, the requirement for meaningful human oversight, the controls on consequential decisions, and the extreme--risk escalation to the East Waste Board.

It is recommended that the Audit & Risk Management Committee endorse the proposed Policy for adoption by the East Waste Board.

EastWaste

Version No: 1.0
Issued:
Next Review:

Proposed Acceptable Use of Artificial Intelligence Policy

1. Purpose

1.1. This policy sets simple rules for the safe and responsible use of artificial intelligence (AI) at East Waste. It supports practical uses of AI while protecting workers, constituent councils, customers, the community, East Waste information and operations.

2. Scope

2.1. This policy applies to all East Waste employees.

2.2. This Policy does not apply to ordinary software that only follows fixed rules, such as standard spreadsheets, reports or workflow automation.

3. Definitions

Term	Meaning
AI system	A machine-based system that uses data to generate predictions, content, recommendations or decisions that can influence physical or virtual environments.
AI use case	A specific application of an AI system for an intended purpose in a defined business, service or operational context.
Accountable Officer	The senior executive appointed by the General Manager to oversee implementation of this policy.
Approved AI tool	An AI product, platform, feature or integration that East Waste has authorised for specified uses and information classifications.
Consequential decision	A decision that may materially affect a person's rights, employment, safety, access to services, obligations or interests, or materially affect a community or the environment.
AI incident	An event involving AI that causes, or could cause, harm, unlawful conduct, data loss or disclosure, unsafe operations, discrimination, material error, service disruption or reputational damage.
Meaningful human oversight	Active review by a suitably authorised and competent person who can understand, challenge, modify or reject an AI output or action.

4. Principles

4.1. East Waste will use AI consistently with Australia's AI Ethics Principles and the following operational commitments:

- Use AI only where it has a clear business or service benefit.
- Keep people accountable and maintain meaningful human oversight.
- Check AI outputs for accuracy, bias, safety and suitability before use or sharing them.
- Apply controls proportionate to the possible harm if AI is wrong or fails.
- Be transparent where AI materially affects a person or service.

5. Responsibilities

5.1. East Waste Board and General Manager

The Board adopts this policy and oversees significant AI risks. The General Manager (GM) ensures appropriate governance and appoints an Accountable Officer.

5.2. Audit &Risk Management Committee

The Committee is responsible for reviewing and approving high-risk AI use cases with the General Manager before they are piloted or used and reviewing reports from the Accountable Officer on registered use cases, performance, control effectiveness, training and compliance

5.3. Accountable Officer

The Accountable Officer maintains the approved-tools list and AI register, coordinates risk assessments, provides guidance and training, and reports significant incidents and non-compliance to the General Manager.

5.4. Managers and AI use-case owners

Managers ensure staff follow this policy. The owner of a registered AI use case must complete the assessment, obtain approval, keep records, monitor performance and stop use if risks become unacceptable.

5.5. All users

Users must use approved tools, protect information, check outputs, keep required records and report errors, incidents or unapproved use.

6. Rules for Using AI

6.1. Approved tools and information

- Only use AI tools and features approved by East Waste, and only for their approved purpose and information type.
- Treat public and unapproved AI tools as external services. Do not enter East Waste internal, personal, confidential, privileged, sensitive or restricted information into them.
- Do not connect AI tools to East Waste systems, install plugins, enable autonomous agents or activate new AI features without approval.

- Use the minimum information needed and remove identifying details where practicable.

6.2. Meaningful human oversight

- Treat AI outputs as suggestions unless East Waste has formally approved an automated process.
- Check facts, calculations, sources, instructions and recommendations before relying on or sharing them.
- Do not use AI as the sole basis for decisions about employment, safety, customers, compliance, rights or access to services.
- An authorised person must be able to question, change or reject an AI output.

6.3. Operational and safety use

- AI must not directly control vehicles, mobile plant, workshop equipment or safety systems unless separately approved through engineering, safety, cyber security and operational change processes.
- Route, maintenance, contamination, fatigue, camera or other operational recommendations must be checked against current procedures, site and road conditions, equipment requirements and employee judgement.
- AI does not override road rules, safe work procedures, environmental controls, manufacturer's instructions or lawful directions.
- Safety-related AI must have clear operating limits, incident reporting, fallback arrangements and human override where relevant.

6.4. Transparency and records

- Where AI materially influences a decision, service or outcome affecting a person, customer, supplier, worker or Constituent Council, East Waste must disclose the material use of AI where appropriate and lawful.
- Provide human review where reasonably required.
- Keep prompts, outputs, approvals and decision records when they form part of official business or support a material decision.
- Official material created with AI must receive the same review and approval as other East Waste material and must be retained in accordance with the *State Records Act 1997.*

7. Prohibited Uses

The following uses of AI are prohibited without the express permission of the General Manager:

- using public or unapproved AI tools on East Waste computers, tablets or mobile phones.
- making fully automated employment, disciplinary, safety-critical, compliance or other consequential decisions;
- using AI to monitor workers or the public without an approved purpose, consultation and safeguards;

- creating deceptive, discriminatory, harassing, unlawful or unsafe content;
- impersonating a person or publishing misleading synthetic audio, images or video;
- using AI to bypass procurement, privacy, records, cyber security, safety or access controls; and
- deploying AI-generated code, configurations, operating instructions or control logic without testing and authorised change approval.

8. Registration, Assessment and Approval

8.1. Routine drafting, summarising, brainstorming, transcription and research using an approved tool generally do not need registration when only suitable information is used and a person checks the output.

8.2. Access to approved AI tools will be assessed on a case by case basis.

8.3 A use case must be registered if the AI tool:

- is built into a vehicle, plant, operational process, customer service or core business system.
- uses personal, confidential, sensitive or security-related information, not protected under existing security protocols.
- can act independently or trigger another system.
- creates a significant safety, environmental, legal, financial, service or reputational risk.
- creates a significant dependency for East Waste operations.

9. Monitoring, Incidents and Review

9.1. Monitoring

The owner of a registered use case must monitor performance, errors, safety, bias, complaints, security, overrides and expected benefits. The use must be reassessed after a material change or incident. High-risk and critical-risk uses must be reviewed at least annually.

9.2. Incidents

Stop or limit AI use immediately where it creates an imminent safety, privacy, security, legal, environmental or operational risk, where this can be done safely. Report the incident through East Waste's normal incident process and notify the Accountable Officer.

Examples include information disclosure, harmful or biased outcomes, unsafe recommendations, material errors used in decisions, security compromise, unexpected autonomous action and unapproved tools or integrations.

9.3. Compliance

Non-compliance with this Policy may result in removal of access, corrective action or disciplinary action under applicable East Waste policies and employment arrangements.

9.4. Review

This policy at least every two years, and earlier after a material legal, technological or operational change or significant incident. Reviews will be undertaken in consultation with the Constituent Councils where required by the Eastern Waste Management Authority Charter.

10. Legislation

- *Copyright Act 1968 (Cth)*
- *State Records Act 1997*
- *Surveillance Devices Act 2016.*

11. Related Documents

- East Waste Behaviour Standards Policy
- East Waste Business Information and Records Policy
- East Waste Complaints Handling Policy
- East Waste Procurement Policy
- East Waste Risk Management Policy.

Signed	Signed
General Manager	Chair of East Waste Board
Date	Date

12. Document History

Version No:	Issue Date:	Description of Change:
1.0	November 2026	Draft Use of Artificial Intelligence Policy

Appendix A: Use of AI Approval Matrix

Use of AI Approval Matrix

Assess the highest credible consequence if the AI is wrong, unavailable, misused or compromised. Consider existing controls only after determining inherent risk.

Risk Level	Typical Use	Minimum Approval and Controls
Low	Approved drafting, summarising or research using public or suitable internal information; no operational or consequential reliance.	Manager approval where required; user checks output; normal records and information rules.
Medium	Internal workflow assistance, analytics or recommendations with limited operational reliance or personal information.	Accountable Officer plus relevant specialist review; documented owner, testing and monitoring.
High	Material operational reliance; sensitive information; workforce monitoring; public-facing service; consequential decisions; significant safety, environmental, service, financial or reputation impact.	General Manager; documented human oversight, testing, transparency, complaints, monitoring, incident response, fallback and at least annual review.
Extreme	AI failure could credibly cause death or serious injury, major environmental harm, systemic unlawful treatment, severe service disruption or catastrophic organisational impact.	Board approval; independent specialist assurance; strict operating limits; fail-safe and override controls; tested continuity; frequent monitoring and review.

Approval Guide

Risk	Approver
Low	Relevant manager
Medium	Accountable Officer
High	General Manager
Extreme	East Waste Board, supported by independent assurance

If uncertain, select the higher risk level and seek advice from the Accountable Officer.

9.6 Proposed Statement of Principle: Compensation Claims by Constituent Councils.

Report Author:	Principal Consultant, Clearly Strategic
Responsible Officer:	General Manager
Attachments:	A: Proposed Statement of Principle: Compensation Claims by Constituent Councils.

Purpose and Context

The purpose of this report is to present the proposed Statement of Principle: Compensation Claims by Constituent Councils to the Audit & Risk Management Committee, explain why it has replaced the proposed Accountability Policy, and seek the Committee's review and recommendation to the East Waste Board.

Recommendation

That the Audit& Risk Management Committee having considered the proposed Statement of Principle: Compensation Claims by Constituent Councils Item 9.6 Attachment A, Audit & Risk Management Committee meeting 11 November 2026:

1. ***notes that the proposed Accountability Policy has been replaced by the Statement of Principle: Compensation Claims by Constituent Councils.***
2. ***reviews the proposed Statement of Principle and the risk, governance and assurance considerations outlined in this report.***
3. ***recommends that the East Waste Board adopt the proposed Statement of Principle, subject to any amendments requested by the Committee.***

Strategic Link

Objective 5. Provide Leadership

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

Background

The General Manager provided the following information as part of the General Manager's Update to the East Waste Board (Board) at its meeting of 30 April 2026.

'Request for Compensation

- *Following the resolution of the organics tender the following request has been made by Norwood Payneham & St Peters CEO Mario Barone:*
    i. *in the event that there is a difference in the total cost between the additional cost charged by Jeffries from 1 October 2025 and the cost charged by Peats Soils & Garden Products, whether East Waste will reimburse respective Constituent Councils that are affected as a result of the procurement process.*
- *A detailed spreadsheet of these costs was provided to NPSP on request, and to each impacted Constituent Council. The organics contract delay had an impact on five (5)*

Constituent Councils to a total value of approximately $195K with the NPSP component equating to approximately $30K.

- *A review of the operational risk register has been completed to ensure recognition of potential Constituent Council claims for reimbursement as a result of East Waste's performance.*
- *Administration is seeking feedback on this request specifically and broadly for future consideration.'*

The Board subsequently resolved:

Moved Cr P George that the Administration prepare a draft Compensation Policy to formalise how Constituent Councils are compensated for liabilities incurred by the operations of East Waste.

Seconded: Mr A Wiguna *Carried Unanimously*

A draft Compensation Policy was presented to the Audit & Risk Management Committee meeting of 10 June 2026 with the Committee resolving:

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 request that a simpler approach, with suitable administrative procedures be presented to the September meeting of the Committee.

The Chair of the East Waste Board provided feedback on the intent of the Policy required by the East Waste Board and accordingly the proposed Accountability Policy was redrafted and presented to the Special Meeting of the Audit & Risk Management Committee (Committee) held on 13 August 2026 or consideration and comment.

The Committee, while supportive of the Accountability Policy's overall content, expressed concerns regarding the expanded duties assigned to the Board Chair. However, it was acknowledged the Authority does have the ability to delegate additional responsibilities to the Board Chair. The Committee suggested that the document be presented as an Administrative Policy rather than a Public Policy, to appropriately reflect the Policy focus on operational matters between the Authority and the Constituent Councils.

Subsequently, the proposed Accountability Policy was and was endorsed by the Committee with a minor amendment.

The proposed Accountability Policy was presented to the East Waste Board at their meeting of 24 September 2026 with the Board resolving as follows:

Moved Cr G Piggott that the East Waste Board having considered the proposed Accountability Policy, Item9.11 Attachment A, Ordinary Board Meeting 24 September 2026 requests that Administration draft a statement of principle in relation to requests for compensation by a Constituent Council.

Seconded: Cr L Mudge ***Carried***

Consequently, Administration have drafted a Statement of Principle which details East Waste's position with regard to Compensation Claims by Constituent Councils (**Attachment A**).

Discussion

East Waste is a regional subsidiary constituted by its Constituent Councils. The proposed Statement of Principle: Claims for Compensation by Constituent Councils (Statement of Principle) (**Attachment A**) records that the Constituent Councils guarantee East Waste's liabilities under Schedule 2, clause 31(1) of the *Local Government Act 1999* and share those liabilities in accordance with clause 18.2 of the East Waste Charter.

Against that structure, a voluntary compensation payment by East Waste to one Constituent Council would not come from an independent compensating party. It would redistribute a liability among the same councils that ultimately support East Waste. This differs from an external compensation arrangement and creates a risk that an ad hoc payment could obscure the appropriate legal, contractual, insurance, budgetary or governance pathway.

The proposed Accountability Policy, as presented to the Committee on 16 September 2026, sought to address how East Waste should respond where a Constituent Council considers it has suffered an impact. The Statement replaces that proposal with a more focused position: no voluntary council compensation scheme or ex gratia process will be established, while legitimate issues and enforceable rights continue to be managed through their proper mechanisms.

Rationale for Replacing the Proposed Compensation Policy

Replacing the proposed policy with a Statement of Principle is appropriate because the core issue is a threshold governance position rather than the design of a compensation program. A detailed policy could imply that East Waste has discretion to assess and award council compensation, create expectations of eligibility, or establish a parallel process that competes with existing Charter, contract, insurance and dispute pathways.

The Statement of Principle instead:

- sets a concise and unambiguous boundary on voluntary compensation.
- reflects the shared-liability structure of East Waste and its Constituent Councils.
- voids creating an administrative compensation scheme where no independent source of compensation exists.
- preserves existing legal, contractual, insurance and governance mechanisms.
- maintains accountability by requiring issues to be investigated, corrected and escalated through the mechanism suited to their nature.
- reduces the risk that an ex gratia response substitutes for systemic corrective action or transparent Board decision-making.

Key Provisions of the Statement of Principle.

- East Waste will not award compensation, including ex gratia payments or in-kind remedies, to a Constituent Council for loss, cost, damage or operational impact arising from East Waste activities, decisions, projects, omissions, service disruptions or equipment failure.
- East Waste will not establish or administer a compensation scheme for Constituent Councils or approve requests framed as damages, reimbursement, settlement, ex gratia relief or an in-kind remedy.
- Operational, contractual, service and governance issues may still be identified, investigated and addressed through the Charter, legislation, contracts, service-level arrangements, insurance, Board-approved budget or distribution mechanisms, dispute resolution, and corrective action.

- Rights, liabilities and obligations under legislation, the East Waste Charter, contracts, insurance policies, and binding court or tribunal decisions are preserved.
- The Statement of Principle does not apply to claims by residents or other third parties and does not authorise East Waste to avoid any legally enforceable obligation.

Audit, Risk and Governance Assessment

The Statement of Principle provides a sound governance boundary. However, its effectiveness will depend on implementation. The Committee can be assured that refusing voluntary compensation will not result in issues being closed without investigation, liabilities being incorrectly characterised, or material service failures being left without corrective action.

Risk/ Consideration	How the Statement Responds	Further Assurance
Inconsistent handling of council claims	Establishes a clear position that voluntary compensation, ex gratia payments and in-kind remedies will not be awarded to Constituent Councils.	Use a central register for issues and claims, with reasons for the pathway and outcome recorded.
Legal or contractual rights inadvertently constrained	Expressly preserves rights and obligations under legislation, the Charter, contracts, insurance policies and binding court or tribunal decisions.	Obtain legal review before Board approval and periodically when the Charter or relevant law changes.
Operational failures are not corrected	Separates compensation from investigation, corrective action and recurrence prevention.	Require responsible officers, due dates and closure evidence for material corrective actions.
Financial impacts are shifted without transparent governance	Directs budget, rebate, distribution or other arrangements through Board-approved mechanisms.	Document financial impacts and Board approvals, and reflect material items in budgets and reporting.
Disputes escalate or relationships deteriorate	Preserves negotiation, mediation and dispute resolution under clause 75 of the Charter.	Define escalation points and reporting thresholds for unresolved or material matters.
The principle is misunderstood as immunity from liability	States that East Waste cannot avoid a legally enforceable obligation and limits the principle to voluntary awards to Constituent Councils.	Communicate the scope clearly to Constituent Councils and include the statement in relevant governance guidance.

Financial and Insurance Obligations

The Statement of Principle does not create a new compensation liability or scheme. It is intended to prevent voluntary payments that would redistribute costs among Constituent Councils outside an established legal, contractual, insurance or Board-approved financial mechanism.

The Statement of Principle does not prevent East Waste from meeting an enforceable obligation, pursuing an insurance process, applying a contractual remedy, or implementing a rebate, distribution, budget adjustment or other arrangement approved by the Board. Any material financial consequence arising from those pathways should continue to be assessed, authorised and reported under existing financial delegations and governance arrangements.

Conclusion

The Statement of Principle is a more focused and proportionate instrument than the previously proposed Accountability Policy. It establishes that East Waste will not voluntarily compensate a Constituent Council, while preserving enforceable obligations and the mechanisms required to investigate, resolve and correct legitimate issues.

It is requested that the Audit & Risk Management Committee, having considered the proposed Statement of Principle, recommend adoption by the East Waste Board.

EastWaste

Version No:	1.0
Issued:	
Next Review:	

Statement of Principle

Compensation Claims by Constituent Councils

1. Overview

The Eastern Waste Management Authority (herein referred as East Waste) will not award compensation, including ex gratia payments or in-kind remedies, to a Constituent Council for loss, cost, damage or operational impact arising from East Waste's activities, decisions, projects, omissions, service disruptions or equipment failure.

2. Principle

East Waste is a regional subsidiary constituted by its Constituent Councils. The Constituent Councils guarantee East Waste's liabilities under Schedule 2, clause 31(1) of the Local Government Act 1999 and share those liabilities in accordance with clause 18.2 of the East Waste Charter. In that context, a compensation payment by East Waste to a Constituent Council would redistribute a liability among the same councils rather than provide compensation from an independent source.

Accordingly, East Waste will not establish or administer a compensation scheme for its Constituent Councils and will not approve a Constituent Council's request for compensation, whether framed as damages, reimbursement, settlement, ex gratia relief or an in-kind remedy.

3. How issues will be managed

This principle does not prevent East Waste and a Constituent Council from identifying, investigating and addressing an operational, contractual, service or governance issue. Such matters will be managed through the mechanism appropriate to their nature, including:

- the terms of the East Waste Charter and applicable legislation.
- contract management, service-level arrangements and insurance processes.
- budget, rebate, distribution or other arrangements approved by the East Waste Board.
- negotiation, mediation or dispute resolution under clause 75 of the Charter.
- corrective action to address service, control or performance failures and reduce recurrence.

PROPOSED

4. Rights and obligations preserved

This Statement does not alter any right, liability or obligation arising under legislation, the East Waste Charter, a contract, an insurance policy or a binding decision of a court or tribunal. It does not apply to claims by residents or other third parties. Nothing in this statement authorises East Waste to avoid a legally enforceable obligation; rather, it states that East Waste will not voluntarily award compensation to a Constituent Council under a council compensation policy or ex gratia process.

Adopted by the East Waste Board	
Effective date	
Review date	

9.7 Review of the Budget Framework Policy

Report Authors	General manager and Finance Business Partner
Attachments	A: Revised Budget Framework Policy B: Existing Budget Framework Policy

Purpose and Context

To provide the Audit & Risk Management Committee (the Committee) with the revised Budget Framework Policy following legal and governance review of budget methodology, working capital, cash flow and Surplus Fund arrangements.

Recommendation

That the Audit & Risk Management Committee:

1. ***notes the revised Budget Framework Policy*** *(Attachment A, Item 9.7, Audit & Risk Management Meeting, 11 November 2026).*
2. ***having considered the revised Budget Framework Policy provides the following feedback…***
3. ***endorses the revised Budget Framework Policy.***
4. ***recommends that the East Waste Board adopt the revised Budget Framework Policy.***

Strategic Link

Objective 5. Provide Leadership
Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

The June 2026 financial governance papers linked the Budget Framework, Treasury Management and Constituent Council Rebate and Distribution policies to working-capital and Surplus Fund considerations for review of the East Waste Board. Subsequent legal review and internal analysis clarified the basis on which funds are characterised and decisions are made.

The revised Budget Framework Policy (the Policy) distinguishes budget setting and cash-flow management from the determination of Surplus Funds. A key change within the Policy is the removal of the 1% operating-surplus, and instead requires transparent budgeting for forecast service, capital, liquidity and working-capital requirements that support financial sustainability.

Discussion

The revised Policy ensures that East Waste's Budget will expressly identify the operating, capital, working-capital and liquidity requirements needed to deliver the Business Plan, Long-Term Financial Plan and Annual Plan and Budget.

The removal of the operating-surplus from the budget methodology ensures alignment to the Charter and requires that Constituent Council charges are established on a transparent full-cost-recovery basis, without the incorporation of a monetary profit or risk margin.

Surplus Funds are defined as funds not identified for expenditure anticipated in the Business Plan. A positive cash balance, accounting Net Surplus or amount above a fixed working-capital threshold does not, by itself, establish that funds are Surplus Funds.

Each Budget Review will present revised forecasts, material variances, planned commitments, cash-flow and liquidity information, Project Fund positions and the expected year-end financial position to the East Waste Board.

Cash-flow monitoring is separate from the East Waste Board's consideration of surplus funds, while remaining a key input into affordability and timing decisions.

The East Waste Board approves Budget Reviews and may adopt reasonable forecast revisions where they can be absorbed within existing cash and equity holdings and do not materially increase the adopted Common Fleet total.

Where a material increase to the adopted Common Fleet total requires additional Constituent Council contributions, or expenditure is not provided for in the Business Plan or Annual Plan and Budget, the decision pathway must comply with the Charter, including any applicable Special Decision requirement.

The Policy retains periodic adjustment of individual Constituent Council Common Fleet Percentages where the overall adopted Common Fleet total remains materially unchanged.

FOGO and other approved Project Funds will be separately budgeted, tracked and reported and will not be pooled into Common Fleet calculations. Services or project activities attributable to particular councils or customers will continue to be treated transparently on a user-pays basis.

Conclusion

The revised Budget Framework Policy removes the 1% operating-surplus mechanism and establishes a clearer basis for setting charges, managing forecast movements, monitoring cash flow and identifying possible Surplus Funds. It also preserves separate project accounting for FOGO and clarifies the respective responsibilities of Administration, the East Waste Board and Constituent Councils.

EastWaste

Version No:	4.1
Issued:	November 2026
Next Review:	June 2027

Budget Framework Policy

1. Purpose

1.1. East Waste as a regional subsidiary seeks to be accountable in all aspects of the budget development process and meet Constituent Council expectations of transparency, clarity, consistency, responsible financial management and reporting.

1.2. Importantly the Policy will assist with the retention of corporate knowledge and consistency across financial years in the accounting treatment and disclosure applied to services and events undertaken by the Authority.

1.3. As detailed in this Policy, it is important to note that the Policy does not, and will not, abdicate from any applicable legislative or regulatory requirements (including Australian Accounting Standards where applicable). The Policy is intended to further enhance the governance structure surrounding the management and reporting of the Authority's budget activities, which are detailed in the East Waste Charter, section 123 of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2026*.

2. Background

2.1. Clause 51-55 of the East Waste Charter and specifically set out the annual requirements for the Development of an Annual Plan and Budget. In summary:

- The Authority must, each financial year have an Annual Plan which supports and informs the budget.
- The Draft Annual Plan must be provided to Constituent Councils and consented to by an absolute majority of Constituent Councils before 31 May each year.
- The Authority must advise Constituent Councils of the proposed fees for the following Financial Year by April 1 of the preceding financial year.

2.2. The budget must also comply with the standards and principles prescribed by the *Local Government Act 1999* and applicable Regulations. The budget shall include budgeted financial statements, which must be presented, in a manner consistent with the Model Financial Statements.

DRAFT

3. Definitions

Common Fleet Costing Charge	The charge payable by each Constituent Council for direct and administrative costs associated with waste collection, fleet maintenance, waste management administration, education and promotion activities, regulatory compliance and debt servicing for common fleet plant and equipment activities. The charge is apportioned according to each Constituent Council's Common Fleet Percentage and is based on full cost recovery.
Common Fleet Percentage	The Common Fleet Percentage (CFP) represents the proportion of total time spent delivering the five core services to each Constituent Council undertaking household kerbside collections (waste, recycling and organics), street and reserve litter bins, and hard rubbish. From 1 July 2027, CFP are Calculated initially using data over the preceding 12-month calendar period, incorporating known fluctuations in Constituent Council activities, with this percentage being a projection and used as the basis for calculating the annual Common Fleet Costing Charge and Proposed Fees. CFP allocations are reviewed and updated quarterly and may also be revised where significant service variations occur, such as the introduction of a new service or the commencement of a new Constituent Council.
Constituent Council Share	As detailed in Section 57 of the East Waste Charter, all Constituent Councils hold an equal equitable ownership interest share in East Waste.
Corporate Administration Fee	Annual fee incorporating set statutory costs charged equally across all Constituent Councils. Refer to Clause 11 of this Policy titled *Corporate Administration Fee* for further detail.
Local Government Price Index	The Local Government Price Index (LGPI) measures price movements faced by Local Government in South Australia in respect of their purchases of goods and services. As the mix of goods and services purchased by Councils/Regional Subsidiaries is quite different from that typically consumed by households, overall price movements faced by Councils may differ markedly from those faced by households.
Model Financial Statements	Refers to the Model Financial Statements described in Regulation 4(3) of the *Local Government (Financial Management) Regulations 2011.*
Net Surplus	Refers to the Net Surplus calculated on the Statement of Comprehensive Income under the Model Financial Statements. A Net Surplus is an accounting result and is not, by itself, a determination of Surplus Funds.

Non-Constituent Customers	Any Council, organisation or waste related services, provided as a non-core activity (as referred to in *Section 1* of the *East Waste Charter).* A differential rate is to be applied to activities provided to non-Constituent Customers.
Proposed Fees	The indicative Common Fleet Costing Charge, Corporate Administration Fee, waste and processing fees (where applicable) and any other charges which the Authority intends to charge Constituent Councils in the subsequent Financial Year.
Business Plan	The East Waste Business Plan, including the Long-Term Financial Plan and Annual Plan and Budget, for the purpose of identifying planned and anticipated expenditure.
Cash Flow	The forecast timing and amount of cash receipts and payments and available liquidity. Cash flow is monitored and reported separately from the determination of Surplus Funds.
Project Funds	Income, expenditure and cash attributable to an approved project or separately funded activity, including FOGO projects, which is separately tracked from Common Fleet activities.
Surplus Funds	Funds not identified for use for expenditure anticipated in the Business Plan. A positive cash balance, Net Surplus or amount above a working-capital threshold does not, by itself, establish that funds are Surplus Funds. The Board determines whether Surplus Funds exist and how they are used, subject to the Charter.

Preparation Schedule

The following timetable is to be applied annually in the development of the Annual Budget, notwithstanding it may need to vary in some situations, if this occurs Administration will communicate changes to the Audit and Risk Committee, the Board and Constituent Councils:

Month	Activity
October:	Administration to approach Constituent Councils to verify any known changes in collection activities, or special projects scheduled to be undertaken in the upcoming financial year, to assist with the calculation of projected Common Fleet Percentages, and ensure adequate resources are available the Budget.
December:	Develop Draft Annual Plan
January:	Develop Draft Annual Budget
February:	Board consideration and endorsement of Draft Annual Plan & Budget Assumptions

February:	Administration will advise Constituent Councils of Indicative movements in Constituent Council Common Fleet Percentages and indicative Budget increase
March:	Draft Annual Plan & Budget sent to Constituent Councils for consideration (inclusive of projected Fees)
April / May:	Constituent Council endorsement of Draft Annual Plan
June:	East Waste Board adoption of Annual Plan & Budget
June / July:	Constituent Councils formally notified of Fees and provided endorsed copy of Annual Plan.

4. Financial Targets

4.1. Cash-flow and working-capital requirements will be forecast, monitored and reported separately from consideration of Surplus Funds.

4.2. Authority to maintain a $1 million bank overdraft facility for emergency purposes only.

4.3. The Authority shall remain in a positive Net Asset / Equity position at all times.

4.4. The Authority is to ensure it complies with the principles contained within East Waste's Charter and the Treasury Management Policy when considering the development and revision of the budget.

5. Principles

The following Principles underpin the Budget Development and budget review process:

5.1. Projected operating income is budgeted to raise sufficient funds to meet projected operating and capital obligations for the financial year, taking into account activities listed in the Draft Annual Plan.

5.2. Through the Budget Review process, or an out-of-cycle review triggered by material cost pressures, Administration will report whether adopted Common Fleet Costing Charges remain sufficient to recover projected costs and the forecast impact on cash flow, working capital and equity. Where additional Constituent Council contributions are required and are not provided for in the Business Plan or Annual Plan and Budget, the decision pathway must comply with the Charter, including any applicable Special Decision requirement.

5.3. All expenditure decisions will align with the East Waste Annual Business Plan.

5.4. Zero-based budget approach is to be adopted for the development of the annual budget in order to ensure each activity allocation remains relevant for the coming year.

5.5. A full cost recovery model to be employed for all services and activities. Budgets will be based on meeting agreed service levels or program activity commitments.

5.6. Project Funds, including FOGO income and expenditure, will be separately budgeted, tracked and reported and will not be pooled into Common Fleet results.

5.7. The Budget is to be established and reported upon according to the following four (4) key Business Units:

5.7.1 **Common Fleet Activities**

Represents all direct and administrative activities associated with the delivery of waste collection, fleet maintenance, waste management administration, education and promotions activities, regulatory compliance activities and funding debt servicing obligations related to common fleet plant and equipment (across all streams). Charged in accordance with Common Fleet Percentage allocation.

5.7.2 **Bin Maintenance Activities**

A cost recovery service charged to each individual Council for services directly associated with bin renewal, replacement and maintenance.

5.7.3 **Waste Disposal Activities**

A cost recovery activity against each individual Council for disposal costs incurred. Occurs only where the Constituent Council is not invoiced directly.

5.7.4 **Corporate Administration**

Annual fee incorporating set statutory costs charged equally across all Constituent Councils. Refer to Clause 11 of this Policy titled *Corporate Administration Fee* for further detail.

6. Budget Reviews

6.1. Legislation requires a budget update at least twice per year and a mid-year budget review. East Waste will present to the Audit & Risk Management Committee and Ordinary Board Meeting (and subsequently Constituent Councils), quarterly budget reviews at the meetings immediately following the following period ended:

- 30 September.
- 31 December.
- 31 March.

6.2. Preparation and presentation of budget information will be consistent with the Board's requested demands to ensure users are provided with the necessary information to discharge their duties and Constituent Council reporting requirements. Budget work papers will also ensure compliance with any reporting legislative requirements relating to the presentation and timing of budget revisions conducted, whilst at the same time acknowledging and protecting the financial integrity of East Waste operating in a commercially competitive environment.

6.3. Through each Budget Review, Administration will separately update the Board on forecast operating and capital results, cash flow, liquidity and working-capital requirements, impacts on cash and equity, the position of Project Funds including FOGO, whether Common Fleet Costing Charges remain sufficient to recover projected Common Fleet costs, and whether any funds may meet the definition of Surplus Funds after considering expenditure anticipated in the Business Plan.

6.4. Cash-flow and liquidity analysis informs affordability and timing but does not, by itself, determine whether funds are Surplus Funds. The Board determines whether Surplus Funds

exist and how they are used on behalf of the Authority, subject to matters reserved to Constituent Councils under the Charter.

7. Borrowings

7.1. External borrowings will be utilised (partially or in full) to fund the acquisition/construction of long-term assets deployed to provide services and not to fund or support recurrent service delivery costs.

7.2. Fleet and motor vehicle acquisition costs may be funded partially or entirely through external borrowings. Administration will project working-capital and cash-flow requirements with the Annual Business Plan and Budget. The Board may consider applying funds towards future asset acquisition only after determining that those funds are Surplus Funds under the Constituent Council Rebate and Distribution Policy, having regard to expenditure anticipated in the Business Plan. The optimal balance between use of Surplus Funds and debt funding will be reviewed annually through the budget adoption process and in accordance with the Treasury Management Policy.

7.3 Where a fixed-term loan is utilised, it should be taken over a period equal to the expected useful life of the asset.

8. Assets & Depreciation

8.1. Capitalisation threshold for all assets to be set for items that cost greater than $3,000.

8.2. Assets depreciation is to be set over the expected life of the assets in accordance with Australian Accounting Standards (AASB) 116 Property, Plant and Equipment. Residual values will be applied to assets where there is an estimated ‘salvage or trade-in’ value for the asset at the end of its expected useful life.

9. Billing

9.1. The Corporate Administration Fee, along with the Common Fleet Costing charge for the five (5) key services, being kerbside collection (Landfill, Recycling & Organics), hard rubbish and street and reserve litter bins, to Constituent Councils is to be processed monthly, in advance, in line with the adopted Budget, and Common Fleet Percentages.

9.2. All other charges to Constituent Councils are for reimbursement of costs incurred by the Authority and are to be invoiced monthly in arrears, following the completion of the reconciliation process.

9.3. All invoices issued to Constituent Councils have payment terms of 30 days, payable from the date of invoice issuance.

9.4. Project related fees are charged monthly. General operational delivery is charged based on initial project quote and reviewed quarterly. Administration or specific short term projects, are costed and charged for the month in which they were delivered.

10. Review of Common Fleet Percentages

10.1. From 1 July 2027 (FY2028) the Common Fleet Percentages will be reviewed and updated on a quarterly basis, as opposed to annually, utilising fleet hours data analysed every three (3) months within the relevant financial year. Constituent Council collection fees will be subject to change quarterly, in line with any Common Fleet Percentage movements.

10.2. Administration will notify Constituent Councils of any movement to their Common Fleet Percentages, following the closure and reconciliation of the quarterly data periods.

10.3. Billing to Constituent Councils will be updated to reflect Common Fleet Percentage movements, incorporating a one-quarter invoicing adjustment lag period in arrears, to allow sufficient time for data reconciliation, inclusive of a final quarter reconciliation at the conclusion of the financial year.

10.4. New services will either fall within Common Fleet delivery or Project delivery models and be captured accordingly.

11. Corporate Administration Fee

11.1. East Waste operates on a full cost recovery model for all services and activities. This is either direct recovery (e.g. disposal and processing fees) or via the common fleet percentage (e.g. collection fees and maintenance costs). The exception is the Corporate Administration Fee which is split equally (Constituent Council Share) across Constituent Councils.

11.2. From 1 July 2027, the Corporate Administration Fee will be representative of East Waste's statutory costs, with the total fee incorporating East Waste's budgeted costs associated with the below activities within the corresponding budget year:

- External Audit.
- Audit & Risk Management Committee sitting fees.
- Independent Board Chair stipend.
- General Manager salary package inclusive of all on-costs, and non-monetary benefits.

12. Services to Non-Constituent Customers

12.1 Should East Waste expand its service offering to Non-Constituent Customers in future years, additional business units may need to be established and recognised, which will be implemented in future reviews of this Policy.

12.2 Where applicable the provision of non-core activities to Non-Constituent Customers are to include a margin which reflects the risk, asset renewal and fair and reasonable administrative charges incurred.

13. Legislation

- *Local Government Act 1999*
- *Local Government (Financial Management) Regulations 2026.*

14. Related Documents

- Treasury Management Policy
- Member Council Rebate and Distribution Policy.

15. Review

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

Signed _____ Signed _____

General Manager Chair of East Waste Board

Date Date

16. Document History

Version No:	Issue Date:	Description of Change:
1.0	First Issued	13 December 2018
2.0	29 April 2021	Scheduled review
3.0	February 2023	Scheduled review
4.0	June 2026	Scheduled review : Policy placed in new corporate template; Section 3 Definitions updated; Preparation schedule updated to bring forward budget planning; Section 4 – Financial Targets updated to reflect current business activity; clause 5,2 has been updated to provide clarity as to the process should East Waste's annual adopted Common Fleet Costing Charges not be sufficient; Information within the Policy has been grouped under new clauses e.g.: clause 7 – Borrowings, clause 9 – Billing, clause 10 – Review of Common Fleet Charges
4.1	November 2026	Removed the 1% operating-surplus loading; clarified full cost recovery; separated cash-flow and working-capital reporting from Surplus Funds determinations; confirmed Board decision-making responsibility; clarified Budget Review and Charter approval pathways; and required separate tracking of FOGO and other Project Funds.

BUDGET FRAMEWORK POLICY

Type	Governance
Category	Finance
First Issued/Adopted	13 December 2018
Minutes Reference	29 April 2021
Review Period	24 Months
Last Reviewed	February 2023
Next Review	February 2025
Applicable Legislation	• *Local Government Act 1999* • *Local Government (Financial Management) Regulations 2011*
Related Documents	• East Waste Charter • East Waste Strategic Plan 2030 • East Waste Long Term Financial Plan
Consultation Undertaken	Audit & Risk Management Committee
Responsible Officer	Manager Business Services

SIGNED:

.....
General Manager

Date: 23/02/2023

.....
Chairperson

Date: 23/02/2023

Purpose

East Waste as a Regional Subsidiary seeks to be accountable in all aspects of the budget development process and meet Member Council expectations of transparency, clarity, consistency, responsible financial management and reporting.

Importantly the Policy will assist with the retention of corporate knowledge and consistency across financial years in the accounting treatment and disclosure applied to services and events undertaken by the Authority.

As detailed below it is important to note that the Policy does not, and will not, abdicate from any applicable legislative or regulatory requirements (including Australian Accounting Standards where applicable). The Policy is intended to further enhance the governance structure surrounding the management and reporting of the Authority's budget activities, which are detailed in *the East Waste Charter*, Section 123 of the *Local Government Act 1999* and the *Local Government (Financial Management) Regulations 2011*.

Background

The *East Waste Charter* and specifically *Sections 51-55*, set out the annual requirements for the Development of an Annual Plan and Budget. In summary:

- The Authority must, each financial year have an Annual Plan which supports and informs the budget;
- The Draft Annual Plan must be provided to Constituent Councils and consented to by an absolute majority of Constituent Councils before 31 May each year;
- The Authority must advise Constituent Councils of the proposed fees for the following Financial Year by April 1 of the preceding financial year.

The budget must also comply with the standards and principles prescribed by the *Local Government Act 1999* and applicable Regulations. The budget shall include budgeted financial statements, which must be presented, in a manner consistent with the Model Financial Statements.

Definitions

Common Fleet Costing Charge	The charge to each Member / Constituent Council which represents all direct and administrative costs associated with the delivery of waste collection, fleet maintenance, waste management administration, education & promotions activities, regulatory compliance and funding debt servicing obligations related to common fleet plant & equipment related activities. The actual charge is apportioned based on the Common Fleet Percentage of the Member Council. The Common Fleet Costing Charge also incorporates an additional charge to Member Councils to incorporate any Return on Revenue targets imposed by this Policy.
Common Fleet Costs	Common Fleet Costs represent all direct and administrative costs associated with the delivery of waste collection, fleet maintenance, waste management administration, education & promotions activities, regulatory compliance and funding debt servicing obligations related to common fleet plant & equipment related activities.
Common Fleet Percentage	Calculated from data collected from each East Waste Fleet Truck over the previous 12 month period. The Common Fleet Percentage (CFP) is the portion of time taken to undertake the 5 core services (household kerbside bin collections (waste, recycling & organics), street & reserve litter bins and hard rubbish) for each Member Council. This is represented as a percentage of the total time, for the previous 12 months and is used as a basis for the Common Fleet Costing Charge. Revised CFP allocations are applied to Common Fleet Cost charges annually or when significant variations occur (e.g. new service added or new Council commences with East Waste).
Constituent Council Share	As detailed in *Section 57* of the *East Waste Charter*, all Member Councils hold an equal equitable ownership interest share in East Waste.
Corporate Administration Fee	Set fee charged equally across all Member Councils. Refer to latter section titled *Corporate Administration Fee* for explanation.
Local Government Price Index	The Local Government Price Index (LGPI) measures price movements faced by Local Government in South Australia in respect of their purchases of goods and services. As the mix of goods and services purchased by Local Councils/Regional Subsidiaries is quite different from that typically consumed by households, overall price movements faced by Local Councils may differ markedly from those faced by households.
Member Councils	Also known as Constituent Councils, are those Councils which are referred to in *Section 1* of the *East Waste Charter*.
Model Financial Statements	Refers to the Model Financial Statements described in Regulation 4(3) of the *Local Government (Financial Management) Regulations 2011.*

Net Surplus	Refers to the Net Surplus as calculated on the Statement of Comprehensive Income per the Model Financial Statements.
Non-Member Councils	Councils, Organisations, or waste related services, provided outside of existing Constituent Councils (as referred to in Section 1 of the East Waste Charter). A differential rate is to be applied to activities provided to non-Member Councils.
Proposed Fees	The indicative Common Fleet Costing Charge, Corporate Administration Fee, waste and processing fees (where applicable) and any other charges which the Authority intends to charge Member Councils in the subsequent Financial Year.

Preparation Schedule

The following timetable is to be annually applied in the development of the Annual Budget:

Month	Activity
Dec /January:	Develop Draft Annual Plan
January:	Develop Draft Annual Budget
February:	Board consideration and endorsement of Draft Annual Plan & Budget
March:	Draft Annual Plan & Budget sent to Member Councils for consideration
April/May:	Member Council endorsement of Draft Annual Plan
June:	East Waste Board adoption of Annual Plan & Budget
June / July:	Member Councils formally notified of Fees and provided endorsed copy of Annual Plan.

Budget Reviews

Legislation requires a budget update at least twice per year and a mid-year budget review. East Waste will present to the Audit & Risk Management Committee and Ordinary Board Meeting (and subsequently Member Councils), quarterly budget reviews at the meetings immediately following the following period ended:

- 30 September;
- 31 December; and
- 31 March

Preparation and presentation of budget information will be consistent with the Board's requested demands to ensure users are provided with the necessary information to discharge their duties and Member Council reporting requirements. Budget work papers will also ensure compliance with any reporting legislative requirements relating to the presentation and timing of budget revisions conducted, whilst at the same time acknowledging and protecting the financial integrity of East Waste operating in a commercially competitive environment.

Financial Targets

1. Financial Performance Target: 1% of Common Fleet Costing Charge.

2. Working capital requirements: retention of cash reserves equal to funding one quarter of estimated operational expenses requirements (including loan repayments).

3. Authority to maintain a $1m bank overdraft facility for emergency purposes only.

4. The Authority shall remain in a positive Net Asset / Equity position at all times.

5. The Authority is to ensure it complies with the principles contained within the adopted Treasury Management Policy when considering the development and revision of the budget.

Principles

The following Principles underpin the Budget Development and budget review process.

1. Projected operating income is set to ensure sufficient funds are raised to meet all financial obligations (operating and capital) for the relevant financial year, taking into account the activities listed in the Authority's draft Annual Plan.

2. Should East Waste's annual adopted Common Fleet Costing Charges not be sufficient to recover projected costs for the financial year, at each budget review, the Board will determine whether Common Fleet Costing Charges are required to be increased to meet working capital requirements for the financial year. Any changes to Common Fleet Costing Charges are to be done in accordance with the principles set within the East Waste Charter and the *Local Government Act 1999.*

3. All expenditure decisions will align with the East Waste Strategic Plan.

4. Zero-based budget approach is to be adopted for the development of the annual budget in order to ensure each activity allocation remains relevant for the coming year.

5. A full cost recovery model to be employed for all services and activities. Budgets will be based on meeting agreed service levels or program activity commitments.

6. The Budget is to be established and reported upon according to the following four (4) key Business Units:

Common Fleet Activities:	Represents all direct and Administrative costs associated with the Delivery of waste collection, fleet maintenance, waste management administration, education & promotions activities, regulatory compliance activities and funding debt servicing obligations related to common fleet plant & equipment (across 5 streams). Charged in accordance with common fleet allocation.
Bin Maintenance Activities:	A cost recovery service charged to each individual Council for services directly associated with bin renewal, replacement and maintenance.

Waste Disposal Activities:	A cost recovery activity against each individual Council for disposal costs incurred. Occurs only where the Member Council is not invoiced directly.
Corporate Administration:	A set Administrative Fee charged equally amongst Member Councils (further detail below), along with ancillary income (interest, grants, asset sales etc).

Should East Waste expand its service offering to Constituent Councils and / or Non-Member Council customer(s) in future years, additional business units may need to be established and recognised in the next update of this Policy when required.

7. External borrowings will be used to fund the acquisition/construction of long-term assets used to provide services and not to fund or support recurrent service delivery costs.

8. Fleet and Motor Vehicle acquisition costs is to be funded via external loan borrowings. An annual review of this principle is to be confirmed by the Board through the budget adoption process.

9. Capitalisation threshold for all assets to be set for items that cost greater than $3,000.

10. Term of loan borrowings to be taken over a period equal to the expected useful life of the asset. For any items with an indefinite useful life, the period of the loan is to be determined by the Board.

11. Assets depreciation is to be set over the expected life of the assets in accordance with Australian Accounting Standards (AASB) 116 Property, Plant and Equipment. Residual values will be applied to assets where there is an estimated 'salvage or trade-in' value for the asset at the end of its expected useful life.

12. The Corporate Administration Fee, along with the Common Fleet Costing charge for the five (5) key services, being kerbside collection (Landfill, Recycling & Organics), hard rubbish and street and reserve litter bins), to Member Councils is to be processed quarterly in advance based on the adopted Fees and Charges. All other charges to Member Councils are for reimbursement of costs incurred by the Authority which are invoiced at the end of the month incurred, following reconciliation. All invoices issued to Member Councils have payment terms of 14 days payable from the date of the invoice issued.

13. The Common Fleet Costing Charge is determined based on the servicing time of the previous financial year. Where there is a new service or incomplete data (i.e. the service was not undertaken for a full 12 months), an evidence-based approach will be used to calculate the Common Fleet percentage.

14. Where applicable the provision of non-core services to non-member Councils are to include a margin which reflects the risk, asset renewal and fair and reasonable administrative charges incurred.

Corporate Administration Fee

East Waste operates on a full cost recovery model for all services and activities. This is either direct recovery (e.g. disposal and processing fees) or via the common fleet percentage (e.g. collection fees and maintenance costs). The exception is the Corporate Administration Fee which is split equally (Constituent Council Share) across Member Councils.

For the 2022/23 budget process, the established base Administration Fee of $255,174 was appplied. For future years, the Administration Fee is to be annually increased by Adelaide Consumer Price Index percentage (Dec to Dec – Al Groups CPI). The Corporate Administrative Fee is to be reviewed through each Annual Budget process.

9.8 Review of the Member Council Rebate and Distribution Policy

Report Authors	General Manager and Finance Business Partner
Attachments	A: Revised Constituent Council Rebate and Distribution Policy B: Current Member Council Rebate and Distribution Policy

Purpose and Context

To provide the Audit & Risk Management Committee (the Committee) with the revised Member Council Rebate and Distribution Policy following legal and governance review of working capital, cash flow and surplus-fund arrangements.

Recommendation

That the Audit & Risk Management Committee, having considered the revised Constituent Council Rebate and Distribution Policy (*Attachment A, Item 9.8, Audit & Risk Management Committee, 11 November 2026****),:***

1. ***notes the revised Constituent Council Rebate and Distribution Policy*** *(Attachment A, Item 9.8, Audit & Risk Management Meeting, 11 November 2026).*
2. ***having considered the revised Constituent Council Rebate and Distribution Policy provides the following feedback…***
3. ***endorses the revised. Constituent Council Rebate and Distribution Policy***
4. ***recommends that the East Waste Board adopt the revised Constituent Council Rebate and Distribution Policy***

Strategic Link

Objective 5. Provide Leadership
Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

The revised Constituent Council Rebate & Distribution Policy (the Policy) distinguishes cash and liquidity management from the determination of Surplus Funds. Cash flow and liquidity remain essential and must be monitored and reported separately, but a cash balance above an operational threshold is not automatically Surplus Funds available for rebate or distribution.

The June 2026 financial governance papers linked the Budget Framework, Treasury Management and Constituent Council Rebate and Distribution policies to working-capital and surplus-fund considerations. Subsequent legal review and internal analysis clarified the basis on which funds are characterised and decisions are made.

Discussion

The revised Policy assumes the removal of the former 1% operating-surplus mechanism, in line with the proposed amended Budget Framework Policy. Common Fleet Costing Charges will be based on full cost recovery and will not include a general profit or risk margin.

Surplus Funds are defined as funds not identified for expenditure anticipated in the Business Plan, which includes the Long-Term Financial Plan and Annual Plan and Budget. A positive cash balance,

accounting Net Surplus or amount above an operational cash threshold does not, by itself, establish that funds are Surplus Funds.

The East Waste Board determines whether Surplus Funds exist and how they are used, having regard to expenditure anticipated in the Business Plan. Administration will provide current forecasts, planned commitments, cash-flow and liquidity information, Project Fund information and other relevant financial analysis before any decision.

Cash flow and liquidity will be monitored and reported separately from the determination of Surplus Funds. These matters affect affordability and timing but do not independently determine whether funds are surplus.

The revised Policy allows the East Waste Board to retain Surplus Funds where East Waste cannot presently afford to pay or credit them and the funds are required for expenditure anticipated in the Business Plan. Funds must not be accumulated simply to create an unallocated cash reserve.

Reasonable forecast movements that can be absorbed within approved cash and equity holdings may be managed through the ordinary Budget Review process. Where additional Constituent Council contributions are required and are not provided for in the Business Plan or Annual Plan and Budget, the decision pathway must comply with the Charter, including any applicable Special Decision requirement.

Food Organics and Garden Organics and other approved Project Funds will remain separately budgeted, tracked and reported and will not be pooled with Common Fleet activities when determining a Rebate or Distribution.

Conclusion

The revised Policy provides a clear, Charter-aligned process for identifying and applying Surplus Funds. It incorporates the removal of the 1% operating-surplus mechanism, separates cash-flow reporting from Surplus Fund determinations, confirms the East Waste Board as the decision-maker and aligns the Policy with the revised Budget Framework and Treasury Management policies.

EastWaste

Version No:	3.1
Issued:	November 2026
Next Review:	June 2029

Constituent Council Rebate & Distribution Policy

1. Purpose

1.1. This Policy establishes the framework for identifying Surplus Funds and determining whether those funds should be retained for expenditure anticipated in the Business Plan, credited against future Common Fleet Costing Charges, rebated or distributed to Constituent Councils**.**

1.2. The Policy provides guidance to Constituent Councils, the East Waste Board and Administration in assessing and calculating any Rebate or Distribution and gives effect to section 61 of the Charter.

2. Background

2.1. Each year, East Waste sets a budget for the financial year in accordance with East Waste's Charter, the requirements of the *Local Government Act 1999, Local Government (Financial Management) Regulations 2026* and the principles outlined within the Budget Framework Policy.

2.2. As part of its annual budget management process, East Waste conducts three periodic Budget Reviews. These reviews update the forecast financial result, cash flow, liquidity, working-capital requirements, Project Funds and expenditure anticipated in the Business Plan.

2.3. Forecast movements, external factors, cost overruns and efficiencies may cause the final financial position to vary from the adopted budget. Those movements do not automatically create Surplus Funds and must be assessed in accordance with this Policy and the Charter.

2.4. Section 61 of the Charter states:

'The Authority must pay or credit surplus funds to the Constituent Councils in proportion to their Common Fleet Collection Percentages to the extent the Board determines the Authority can afford to pay having regard to future expenditure the Business Plan anticipates be incurred'.

3. Definitions

Act	The *Local Government Act 1999.*
Charter	Eastern Waste Management Authority Charter as endorsed June 2022
Common Fleet Costing Charge	The charge payable by each Constituent Council for direct and administrative costs associated with Common Fleet services. The

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	charge is apportioned according to Common Fleet Percentage and is based on full cost recovery. It does not include a general operating-surplus loading.
Common Fleet Percentage	The Common Fleet Percentage (CFP) represents the proportion of total time spent delivering the five core services to each Constituent Council undertaking household kerbside collections (waste, recycling and organics), street and reserve litter bins, and hard rubbish. Calculated initially using data over the preceding 12-month calendar period, incorporating known fluctuations in Constituent Council activities, this percentage is a projection and used as the basis for calculating the annual Common Fleet Costing Charge. CFP allocations are reviewed and updated quarterly and may also be revised where significant service variations occur, such as the introduction of a new service or the commencement of a new Constituent Council.
Constituent Council Share	As detailed in *Section 57* of the *East Waste Charter*, all Constituent Councils hold an equal equitable ownership interest share in East Waste.
Corporate Administration Fee	Set fee charged equally across all Constituent Councils incorporating East Waste's statutory costs. Refer to Budget Framework Policy for cost methodology.
Distribution	A payment by East Waste to Constituent Councils from funds determined by the East Waste Board to be Surplus Funds and affordable to distribute under section 61 of the Charter.
Constituent Councils	Also known as Member Councils, are those Councils which are referred to in *Section 1* of the *East Waste Charter*.
LTFP	East Waste's current adopted Long-Term Financial Plan
Model Financial Statements	Refers to the Model Financial Statements described in the Act and Regulations.
Net Surplus	The Net Surplus calculated in the Statement of Comprehensive Income under the Model Financial Statements. A Net Surplus is an accounting result and is not, by itself, a determination of Surplus Funds.
Non-Constituent Councils	Any Council, organisation or waste related services, provided outside of existing Constituent Councils (as referred to in *Section 1* of the *East Waste Charter).* A differential rate is to be applied to activities provided to non-Member Councils.
Proposed Fees	The indicative Common Fleet Costing Charge, Corporate Administration Fee, waste and processing fees (where applicable) and any other charges which the Authority intends to charge Constituent Councils in the subsequent Financial Year.

Rebate	A reduction in Common Fleet Costing Charges payable by Constituent Councils, either as a credit against future charges or a payment. A Rebate is recognised in accordance with applicable accounting requirements in the financial year in which it is approved and applied.
Regulations	*Local Government (Financial Management) Regulations 2011*
Administration	The General Manager and employees of East Waste acting within approved delegations and responsibilities.
Audit & Risk Management Committee	The committee established by the East Waste Board to provide independent advice and assurance on financial reporting, risk management, internal control and governance.
Business Plan	The East Waste Business Plan, including the Long-Term Financial Plan and current Annual Plan and Budget, for the purpose of identifying planned and anticipated expenditure.
East Waste Board	The board of management of the Eastern Waste Management Authority established under the Charter.
Cash Flow	The forecast timing and amount of cash receipts and payments and available liquidity. Cash Flow is monitored and reported separately from the determination of Surplus Funds.
Core Activities	The activities undertaken by East Waste for Constituent Councils under the Charter and reflected in the Common Fleet Costing Charge or other approved service charges.
Project Funds	Income, expenditure and cash attributable to an approved project or separately funded activity, including FOGO projects, which is separately tracked from Common Fleet activities.
Surplus Funds	Funds not identified for use for expenditure anticipated in the Business Plan. A positive cash balance, Net Surplus or amount above an operational cash threshold does not, by itself, establish that funds are Surplus Funds.

4. Principles

4.1. Based on information prepared by Administration on forecast financial performance, expenditure anticipated in the Business Plan, Cash Flow, liquidity, working-capital requirements and Project Funds, and having considered any recommendations of the Audit & Risk Management Committee, the East Waste Board will assess at each Budget Review whether:

- Adopted Common Fleet Costing Charges remain sufficient to recover projected Common Fleet costs in accordance with the Budget Framework Policy.

- any funds meet the definition of Surplus Funds after considering future expenditure anticipated in the Business Plan and, if so, whether East Waste can afford to retain those funds for planned expenditure or other purposes permitted by the Charter.
- any Surplus Funds should be paid or credited to Constituent Councils in accordance with section 61 of the Charter.

4.2. Any Rebate or Distribution must comply with the Charter, this Policy, the Budget Framework Policy and the Treasury Management Policy.

4.3. A Rebate or Distribution will be allocated to Constituent Councils using the Common Fleet Percentages applicable to the period in which the relevant funds arose, adjusted where necessary to reflect the commencement date of a new Constituent Council or a material change in service participation.

4.4. In determining whether funds are Surplus Funds and whether East Waste can afford to pay or credit them, the East Waste Board must consider at least the following:

4.4.1. **Assessment of Projected Current & Future Working Capital Requirements**

The East Waste Board will consider short-term and long-term Cash Flow, liquidity and working-capital requirements, including debt servicing and capital expenditure anticipated in the Business Plan. Cash Flow and liquidity are key considerations in affordability and timing but do not, by themselves, determine whether funds are Surplus Funds.

4.4.2. **Compliance with East Waste Policies**

Before approving a Rebate or Distribution, the East Waste Board will consider compliance with the Charter and applicable policies, particularly the Treasury Management Policy and Budget Framework Policy.

4.4.3. **Adopted Budget & Long Term Financial Plan**

The East Waste Board will assess the effect of any proposed Rebate or Distribution on the adopted Annual Plan and Budget, Long-Term Financial Plan, forecast financial position, Cash Flow, equity and expenditure anticipated in the Business Plan.

4.5. Accumulation and Application of Surplus Funds

Where the East Waste Board determines that funds are Surplus Funds but that East Waste cannot presently afford to pay or credit them, those funds may be retained and applied to expenditure anticipated in the Business Plan. Surplus Funds must not be accumulated simply to create an unallocated cash reserve. Any retention and proposed application must be documented in the relevant East Waste Board decision and reported through the Budget Review process.

4.6. Project Funds

Food Organics and Garden Organics and other approved Project Funds will remain separately budgeted, tracked and reported and will not be pooled with Common Fleet activities when determining a Rebate or Distribution.

5. Reporting and Records

5.1. Administration will report the matters required by this Policy through each scheduled Budget Review and any out-of-cycle review triggered by a material financial issue. East Waste Board papers must document the financial analysis, Business Plan expenditure, Cash Flow and liquidity position, Project Funds, policy compliance, allocation method and resolution supporting any retention, Rebate or Distribution.

6. Legislation

Local Government Act 1999

Local Government (Financial Management) Regulations 2026

7. Related Documents

East Waste Strategic Plan 2030

East Waste Long-Term Financial Plan

Eastern Waste Management Authority Charter

Budget Framework Policy

Treasury Management Policy

8. Review

This Constituent Council Rebate & Distribution Policy will be reviewed annually, or earlier where legislative, Charter or material governance change requires review.

Signed _____ Signed _____

General Manager Chairperson

Date _____ Date _____

9. Document History

Version No:	Issue Date:	Description of Change:
1.0	April 2021	New Document April 2021
2.0	April 2023	Change of wording in policy statement.
3.0	June 2026	Comprehensive review of Policy
3.1	November 2026	Updated following Charter and legal review: aligned definitions with the Budget Framework Policy; removed surplus-cash and 1% surplus concepts; clarified East Waste Board responsibility; separated Cash Flow from Surplus Funds; addressed accumulation and application of funds; required separate FOGO and Project Fund tracking; and clarified Budget Review reporting.

EastWaste

Version No:	2.0
Issued:	05/04/2023
Next Review:	05/05/2026

Member Council Rebate & Distribution Policy

1. Purpose

1.1. This Policy establishes a framework, which is to be applied when issuing Rebates to Constituent Councils for waste management charges and/or payment of Distributions from retained earning balances held by East Waste.

1.2. The Policy serves to provide guidance to the Constituent Councils, the Board and Administration of East Waste to assist in the assessment and calculation of any waste collection Rebates and/or Distribution of funds

2. Background

2.1. Each year, East Waste sets a budget for the following financial year in accordance with East Waste's Charter, the requirements of the *Local Government Act 1999, Local Government (Financial Management) Regulations 2011* and the principles outlined within the Budget Framework Policy.

2.2. Despite undertaking a rigorous budgeting process and implementing diligent financial management practices, external factors, cost overruns and/or the implementation of efficiencies will result in end-of-year variations.

2.3. Section 61 of the Charter states:

'The Authority must pay or credit surplus funds to the Constituent Councils in proportion to their Common Fleet Collection Percentages to the extent the Board determines the Authority can afford to pay having regard to future expenditure the Business Plan anticipates be incurred'.

Where net surpluses are derived these are to be returned on the same basis they were generated: that is the Common Fleet Percentages for the year they were generated

3. Definitions

Charter	
Common Fleet Costing Charge	The charge to each Member Council which represents all direct and administrative costs associated with the delivery of waste collection, fleet maintenance, waste management

	administration, education & promotions activities, regulatory compliance and funding debt servicing obligations related to common fleet plant & equipment related activities. The actual charge is apportioned based on the Common Fleet Percentage of the Member Council. The Common Fleet Costing Charge also incorporates the financial performance target(s) set within the Budget Framework Policy.
Common Fleet Costs	Common Fleet Costs represent all direct and administrative costs associated with the delivery of waste collection, fleet maintenance, waste management administration, education & promotions activities, regulatory compliance and funding debt servicing obligations related to common fleet plant and equipment related activities.
Common Fleet Percentage	Calculated from data collected from each East Waste Fleet Truck over the previous 12-month period. The Common Fleet Percentage (CFP) is the portion of time taken to undertake the 5 core services (household kerbside collections (waste, recycling & organics), street & reserve litter bins and hard rubbish) for each Member Council. This is represented as a percentage of the total time, for the previous 12 months and is used as a basis for the Common Fleet Costing Charge. Revised CFP allocations are applied to Common Fleet Cost charges annually or when significant variations occur (eg. new service added or new Council commences with East Waste).
Constituent Council Share	As detailed in *Section 57* of the *East Waste Charter*, all Member Councils hold an equal equitable ownership interest share in East Waste.
Corporate Administration Fee	Set fee charged equally across all Member Councils. Refer to Budget Framework Policy for more detailed explanation.
Distribution	Refers to cash payments made by East Waste to Constituent Councils which represent a return on equity. Distributions are paid to Constituent Councils based on the principles set out in Section 61 of the East Waste Charter.
Member Councils	Also known as Constituent Councils, are those Councils which are referred to in *Section 1* of the *East Waste Charter*.
Model Financial Statements	Refers to the Model Financial Statements described in he *Local Government (Financial Management) Regulations 2011.*
Net Surplus	Refers to the Net Surplus as calculated on the Statement of Comprehensive Income per the Model Financial Statements.
Non-Member Councils	Councils, organisations or waste related services, provided outside of existing Constituent Councils (as referred to in *Section 1* of the *East Waste Charter).* A differential rate is to be applied to activities provided to non-Member Councils.
Proposed Fees	The indicative Common Fleet Costing Charge, Corporate

	Administration Fee, waste and processing fees (where applicable) and any other charges which the Authority intends to charge Member Councils in the subsequent Financial Year.
Rebate	Represents a reduction in waste collection fees charged to Constituent Councils. Rebates can be represented by either a reduction in future Common Fleet Costing Charge or by a physical payment of funds. A rebate is reflected as operating expense to East Waste in the financial year it is either paid and/or applied against Common Fleet Costing Charges.

4. Principles

4.1. The East Waste Board will assess at each budget review whether:

- Adopted Common Fleet Charges are appropriately set to recover all costs in accordance with the principles set in the Budget Framework Policy.
- Whether there are surplus cash funds held by East Waste for which consideration should be given to returning those funds to Member Councils.

Any/all distributions paid must conform with the requirements of the Charter and this Policy.

4.2. A rebate may be returned to the Member Councils in line with the most appropriate set of Member Council Common Fleet percentages. In instances where a new Council joins East Waste, the Common Fleet Percentage will be adjusted to reflect the portion of time that they have been a member of East Waste.

4.3. In assessing whether East Waste has a deemed surplus cash reserve which can be returned to Member Councils, the following at minimum should be considered:

4.3.1. **Assessment of Projected Current & Future Working Capital Requirements**

The East Waste Board will review the projected short-term and long-term working capital requirements of East Waste giving regard to the adopted budget and LTFP to ensure that at all times, East Waste has appropriate levels of cash reserves to meet all current and future financial (actual and anticipated) obligations (this includes for loan repayments and for future capital expenditure not funded via loan borrowings).

4.3.2. **Compliance with East Waste Policies**

Prior to any return of cash funds, assessment as to East Waste's compliance with other applicable Policies is to be considered. In particular, compliance with Treasury Management and Budget Framework Policies is to be factored in the decision-making process.

4.3.3. **Adopted Budget & Long Term Financial Plan (LTFP)**

In assessing whether East Waste has the financial capacity to return any surplus cash funds reserves held, consideration of the financial impact of such a payment on the adopted budget and / or the LTFP is to be assessed depending on the nature of the payment.

At minimum, the following will be considered as part of the Board's decision-making process:

- For the payment of a rebate, an assessment of the financial impact on the adopted budget will be required.

5. Legislation

Local Government Act 1999

6. Related Documents

East Waste Strategic Plan 2030

East Waste Long Term Financial Plan

Budget Framework Policy

Treasury Management Policy

7. Review

This Member Council & Distribution Rebate Policy shall be reviewed on a three yearly basis unless legislative change necessitates an earlier review date.





Signed _____ Signed _____

Manager Business Services Chairperson

Date 05/04/2023 Date 05/04/2023

8. Document History

Version No:	Issue Date:	Description of Change:
1.0	April 2021	New Document April 2021
2.0	April 2023	Change of wording in policy statement.

9.9 Review of the Treasury Management Policy

Report Authors	General Manager and Finance Business Partner
Attachments	A: Revised Treasury Management Policy B:Current Treasury Management Policy

Purpose and Context

To provide the Audit & Risk Management Committee (the Committee) with the revised Treasury Management Policy following legal and governance review of cash, liquidity, working capital and surplus-fund arrangements.

Recommendation

That the Audit & Risk Management Committee, having considered the revised Treasury Management Policy *(Attachment A, Item 9.9, Audit & Risk Management Committee, 11 November 2026:*

1. ***notes the revised Treasury Management Policy*** *(Attachment A, Item 9.8, Audit & Risk Management Meeting, 11 November 2026).*
2. ***having considered the revised Treasury Management Policy provides the following feedback…***
3. ***endorses the revised Treasury Management Policy.***
4. ***recommends that the East Waste Board adopt the revised Treasury Management Policy.***

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Strategic Link

Objective 5. Provide Leadership
Strategy 5.4 Quality and transparent Corporate (Governance and Financial) activities.

Background

The revised Treasury Management Policy (the Policy) reflects the distinguished cash and liquidity management from the determination of Surplus Funds in the line the proposed Budget Framework and Constituent Council Rebate and Distribution policies. Cash flow and liquidity remain essential and must be monitored and reported separately, but a cash balance above an operational threshold is not automatically Surplus Funds available for rebate or distribution.

The June 2026 financial governance papers linked the Budget Framework, Treasury Management and Constituent Council Rebate and Distribution policies to working-capital and surplus-fund considerations. Subsequent legal review and internal analysis clarified the basis on which funds are characterised and decisions are made.

Discussion

The revised Policy reflects the removal of the 1% operating surplus previously incorporated to provide liquidity or contingency coverage. Treasury management will focus on cash, investments, borrowings, liquidity and financial risk.

Surplus Funds are defined as funds not identified for expenditure anticipated in the Business Plan, which includes the Long-Term Financial Plan and Annual Plan and Budget. A positive cash balance, accounting Net Surplus or amount above an operational cash threshold does not, by itself, establish that funds are Surplus Funds.

The East Waste Board determines whether Surplus Funds exist and how they are used under the Treasury Management Policy. Administration will provide regular treasury reporting on forecast inflows and outflows, liquidity headroom, borrowing requirements, investment holdings, Project Funds and material timing risks.

Cash flow and liquidity will be monitored and reported separately from the determination of Surplus Funds. These matters affect affordability and timing but do not independently determine whether funds are surplus.

The revised Policy retains East Waste Board oversight of investments and borrowings, including the timing of borrowing drawdowns so they align with approved payment requirements. Cash not immediately required may be invested prudently without that treatment establishing that the cash is Surplus Funds.

Reasonable forecast movements that can be absorbed within approved cash and equity holdings may be managed through the ordinary Budget Review process. Where additional Constituent Council contributions are required and are not provided for in the Business Plan or Annual Plan and Budget, the decision pathway must comply with the Charter, including any applicable Special Decision requirement.

Food Organics and Garden Organics and other approved Project Funds will remain separately identified and tracked from Common Fleet cash for treasury monitoring and reporting.

Conclusion

The revised Treasury Management Policy strengthens liquidity and financial-risk oversight without conflating cash holdings with Surplus Funds. It establishes dedicated cash-flow and liquidity reporting, preserves East Waste Board oversight of investments and borrowings, and aligns the Policy with the revised Budget Framework and Constituent Council Rebate and Distribution policies.

9.10 Annual Treasury Management Performance Report

Report Author	Finance Business Partner
Attachments	A: Annual Treasury Management Performance Report

Purpose and Context

To provide the East Waste Audit & Risk Management Committee (the Committee) with the Annual Treasury Management Performance Report in accordance with clause 4.7 of East Waste's Treasury Management Policy.

Recommendation

That the East Waste Audit & Risk Management Committee:

1. ***note the 2026 Annual Treasury Management Performance Report*** *(Attachment A, Item 9.10, Audit & Risk Management Committee Meeting, 11 November 2026)*
2. ***endorse the 2026 Annual Treasury Management Performance Report***
3. ***recommend2026 Annual Treasury Management Performance Report to the East Waste Board for adoption.***

Strategic Link

Objective 5. Provide Leadership

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

Background

The 2026 Annual Treasury Management Report is provided at **Attachment A** and is provided in accordance with clause 4.7 of East Waste's *Treasury Management Policy:*

> ***Reporting***
>
> *On or before 30 November each year, the East Waste Board shall receive, via the Audit and Risk Management Committee, a specific report regarding treasury management performance relative to the criteria specified in this policy. This report will highlight:*
>
> - *The amount of each East Waste borrowing and investment, its interest rate, maturity date and any changes in holdings since the previous report; and*
> - *If applicable, the proportion of fixed interest rate and variable interest rate borrowings at the end of the reporting period.*

Discussion

The loan schedule within **Attachment A** of the report summarises East Waste's outstanding debenture loans with the Local Government Finance Authority (LGFA), detailing the original amount borrowed, applicable interest rate, balance of each loan as at 31 October 2026 and its maturity date.

A total of ten (10) loans remain, with a combined balance of $14,519,232.76 as at 31 October 2026. Loan Agreement 12 matured on 15 November 2025 and is shown separately within Attachment A as a loan that matured during the reporting period. All current borrowings remain on fixed interest rates, ranging from 1.70% to 6.03%, with maturity dates extending to September 2034.

Loan Agreement 23 settled on 15 September 2026 to finance the purchase of six (6) new waste collection RACVs, as provided for in the adopted FY26 Annual Plan and Budget. Settlement aligned with the receipt of the vehicles, with the borrowed funds held for approximately one day prior to payment. The vehicles arrived on time in accordance with the initial delivery schedule.

Interest rates increased several times during the reporting period. LGFA borrowing rates remain competitive within the market, with the most recent borrowing, Loan Agreement 23, fixed for an eight-year term at 6.03%.

East Waste continues to utilise the LGFA 24-hour deposit account as its primary short-term investment facility. The account provides flexibility to invest and withdraw funds in line with operational cash flow requirements, with interest calculated daily and same-day transfers available.

During the reporting period, Administration strengthened its treasury management practices through closer day-to-day monitoring of bank and LGFA balances, expected receipts, supplier payments and short-term cash requirements. The move from quarterly to monthly invoicing has also supported improved treasury management by smoothing East Waste's cash flow and providing a more consistent invoicing and payment cycle for constituent councils. This more active approach has enabled surplus cash to be transferred to the LGFA deposit account earlier and retained there for longer where operational requirements permit, while maintaining sufficient liquidity for day-to-day activities. The stronger investment outcome reflects these improved treasury management practices.

Administration will continue to actively monitor cash balances and compare the LGFA 24-hour deposit account with available fixed-term deposit options. Under current market conditions, Administration considers the LGFA 24-hour deposit account to be the preferred option, providing a competitive return while retaining the flexibility to access funds as required. Administration will continue to monitor available investment rates and consider whether a combination of the 24-hour deposit account and fixed-term deposits may provide an opportunity to optimise returns while maintaining appropriate liquidity.

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

Feedback will be sought from the Committee at the meeting as to further detail that Administration should consider for inclusion within the standing report, that would provide broader context on East Waste's treasury management practices.

East Waste Treasury Management Performance Report October 2026

Borrowings as at 31/10/2026

Loan #	Amount Borrowed	Rate	Amount Owing as at 31/10/2026	Maturity Date
Loan Agreement 13	$2,170,966.00	2.55%	$441,267.36	17/02/2028
Loan Agreement 14	$2,284,000.00	1.70%	$600,316.72	15/10/2028
Loan Agreement 16	$2,030,476.00	3.10%	$950,057.63	15/11/2029
Loan Agreement 17	$2,853,000.00	5.55%	$1,582,063.21	17/10/2030
Loan Agreement 18	$1,672,000.00	5.65%	$1,030,984.14	15/02/2031
Loan Agreement 19	$1,377,219.00	5.88%	$1,013,188.89	15/12/2031
Loan Agreement 20	$777,781.00	5.90%	$572,316.82	15/02/2032
Loan Agreement 21	$2,178,539.00	5.50%	$1,838,678.61	15/11/2032
Loan Agreement 22	$3,390,000.00	5.16%	$3,037,859.38	15/10/2033
Loan Agreement 23	$3,452,500.00	6.03%	$3,452,500.00	15/09/2034
			$14,519,232.76	**Balance Owing**

Matured Loans between 31/10/2025 - 31/10/2026

Loan #	Amount Borrowed	Rate	Term	Maturity Date
Loan Agreement 12	$ 1,813,771.00	4.00%	7 years	15/11/2025

Investments as at 31/10/2026

Account	Amount	Rate
LGFA Council Deposits	$ 3,471,228.59	4.90%

Return on Investments from 31/10/2025 - 31/10/2026

Account	Interest Received / Accrued	Rate Range
LGFA Council Deposits	$ 169,402.42	3.9% - 4.9%

9.11 Proposed A &RM Committee Meeting Schedule for 2027

Report Author	Principal Consultant, Clearly Strategic
Attachments	Nil

Purpose and Context

To provide the Audit & Risk Management Committee with the proposed Committee meeting dates for 2027.

Recommendation

That the Audit & Risk Management Committee, in accordance with clause 6.1.2 of the Committee's Terms of Reference approves the proposed Committee meeting schedule for 2027 as follows:

1. ***Meetings shall be held at the City of Prospect, 128 Prospect Road, Prospect.***
2. ***Meetings are proposed to commence at 4.00 pm on the following dates:***
    - ***Wednesday 17 February 2027***
    - ***Wednesday 28 April 2027***
    - ***Wednesday 9 June 2027***
    - ***Wednesday 15 September 2027***
    - ***Wednesday 10 November 2027.***

Discussion

The Audit & Risk Management Committee's Terms of Reference stipulate, at clause 6.1.2, that:

> *'A schedule of meetings, including, place, date and time meetings of the Committee will be held, shall be determined by the Committee annually'.*

This report sets out proposed meeting dates for 2027, noting that the meeting venue will be the City of Prospect, 128 Prospect Road, Prospect.

Meetings will be held on Wednesday afternoons and commence at 4.00 pm.

Table 1 details proposed meeting dates for the Audit & Risk Management Committee and the statutory requirements to be considered at each meeting.

Table 1: 2027 Proposed Meeting Dates

Audit & Risk Management Committee	Legislative Requirements
Wednesday 17 February 4.00 pm	Budget Review 2 Draft Annual Plan & Budget
Wednesday 28 April 4.00 pm	Budget Review 3

Wednesday 9 June 4.00 pm	Annual Plan & Budget Endorsement
Wednesday 15 September 4.00 pm	Audited Financials
Wednesday 10 November 4.00pm	Budget Review 1

Subject to approval by the Audit & Risk Management Committee, calendar invites for 2027 meetings will be distributed prior to year end.

9.12 Audit & Risk Management Committee Performance Evaluation 2026

Report Author	Principal Consultant, Clearly Strategic
Attachments	A: East Waste Audit and Risk Management Committee Performance Evaluation Report 2026.

Purpose and Context

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

Recommendation

That the Audit & Risk Management Committee receives and notes the Audit & Risk Management Committee Performance Evaluation Report 2026, (*Attachment A, Item 9.12, Audit & Risk Management Committee Meeting, 11 November 2026*) ***prepared by Red Wagon Workplace Solutions.***

Strategic Link

Objective 5. Provide Leadership

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

Background

At the meeting of the East Waste Board held on 22 June 2023, the Board endorsed a proposed Board & Committee Performance Evaluation Framework, to be conducted annually, commencing in 2024.

The 2026 Board and Audit & Risk Management Committee Performance Evaluation is the third review of its kind undertaken by Red Wagon Workplace Solutions. As with the previous performance evaluations, online surveys were distributed to all Committee members for individual completion. The Committee Members were asked to rate the effectiveness of the Committee, self-rate their contribution to Committee and rate the contribution of their peers. The process allows East Waste to obtain feedback on the overall perceived effectiveness of its Board and Audit & Risk Management Committee, as well as provide meaningful feedback to individual members for their own professional development.

Discussion

The 2026 evaluation indicates that the Audit & Risk Management Committee continues to perform at a high level, with an overall score of 4.58 out of 5 and a 100% response rate. While this is lower than the 2025 score of 4.91, all members rated the Committee's overall effectiveness at 5 out of 5.

The decline should be considered in the context of significant change during the year, including the appointment of two new members, recruitment for a new Independent Chair, and a demanding program of complex work.

A copy of the Audit & Risk Management Committee's Evaluation Report 2026 is included in **Attachment A** to this report.

Key Strengths Identified in the Performance Evaluation

- *Strong culture and engagement:* Members feel able to express their professional views, work respectfully together and contribute without undue management influence.
- *Sound governance arrangements:* The Committee's composition, independence, conflict-of-interest processes and compliance oversight remain strong.
- *Effective leadership:* The Chair is highly regarded for experience, technical knowledge and meeting leadership.
- *Valuable contribution:* Committee discussions are considered relevant, robust and useful, and the Committee is seen as adding value to East Waste.
- *High-performing members:* Peer assessments were uniformly positive, with every member receiving the highest possible peer rating across all criteria.
- *Successful member transition:* New members have been effectively inducted and are engaged and contributing value.

Priority Areas for Attention

The performance evaluation identified the following areas as requiring improvement:

1. Risk Management

Risk Management was the lowest-scoring area and recorded the largest year-on-year decline. The principal issue is the Committee's understanding of the Board's risk tolerance, which scored 3.20.

Priorities include:

- Developing or clarifying a formal Board Risk Appetite Statement.
- Expanding risk reporting beyond the scheduled Strategic Risk Register.
- Strengthening assurance reporting on the effectiveness of internal controls.
- Ensuring the Committee has a clear and consistent view of the organisation's risk profile.

2. Committee Workload and Administration

The manageability of meeting agendas scored 3.00, reflecting the volume and complexity of matters considered. Several meetings exceeded their scheduled duration.

- Reviewing whether meeting frequency remains appropriate.
- Ensuring sufficient time is available for considered discussion and decision-making.

3. Board and Committee Communication

Members are not always aware of the Board's response to Committee recommendations. Closing this feedback loop would support accountability and strengthen the Committee's relationships with the Board and Management.

4. Leadership Transition

The Committee remains partly reliant on the outgoing Chair's experience and contribution. The transition to a new Chair should therefore include careful handover, role clarity and continued development of capability across the Committee.

Conclusion

The Committee remains effective, engaged and well governed. Its strong culture, capable membership and constructive approach provide a sound platform for continued performance.

The 2026 results do not indicate fundamental performance concerns. Rather, they identify a focused improvement agenda centred on risk appetite, risk and control reporting, workload management, Board communication and leadership transition. Addressing these matters should strengthen oversight and help restore performance toward the levels recorded in 2025.

The Committee’s results will be provided to the East Waste Board of Management.

RED WAGON
Workplace Solutions

East Waste Audit and Risk Management Committee Evaluation Report 2026

Prepared by: Janine Muirhead
janine@redwagonsolutions.com.au
08 8166 2110

Prepared for: East Waste Board

Executive Summary

The 2026 evaluation looked at how well the Audit and Risk Management Committee is carrying out its oversight role across financial reporting, internal controls, risk management, compliance and governance. Committee members gave feedback on the Committee's strengths, the areas where it could improve, and how it can keep strengthening its performance in line with good governance practice.

The Committee scored 4.58 out of 5 overall, compared with 4.91 in 2025. Results remain strong, and every member rated the Committee's overall effectiveness at the highest level. The lower score reflects a year of considerable change: new members joined, agendas were heavy and complex, and members want clearer direction on the Board's risk appetite. These areas are the main opportunities for the year ahead.

Scope and Methodology

Red Wagon Workplace Solutions was engaged to undertake an evaluation of the East Waste Audit and Risk Management Committee.

For the evaluation, Red Wagon used the same questions and categories as the 2025 evaluation to allow a direct comparison of results.

The evaluation was distributed by Red Wagon online via Microsoft Forms with a 100% response rate.

The evaluation gathered data through participants' selection of their agreement level with a set of statements. To enable graphical representation, these agreement levels were converted into numerical data according to the following table.

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

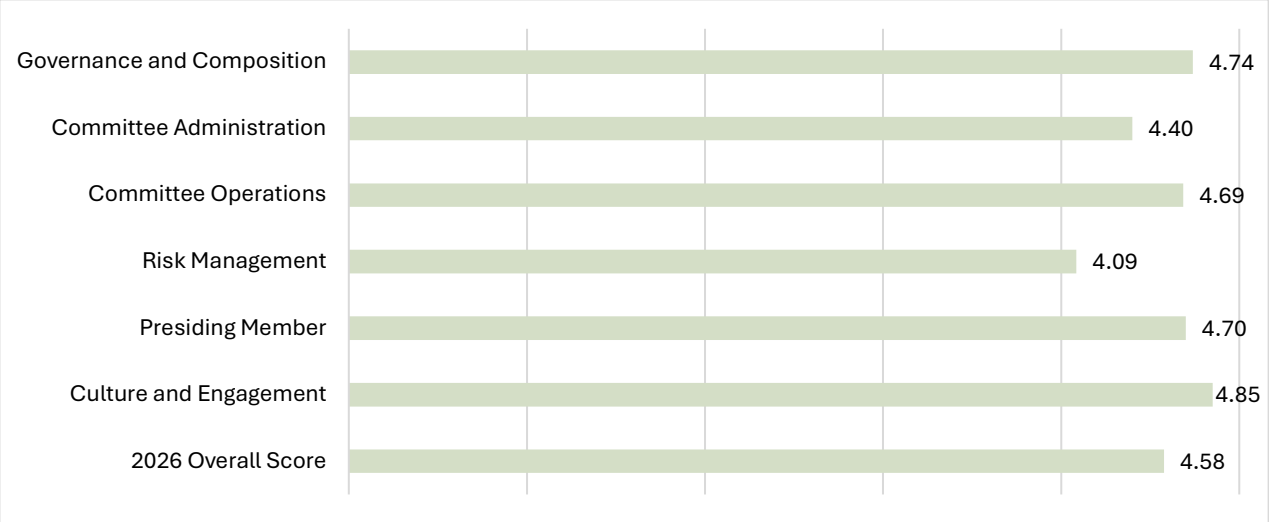
Findings

Audit and Risk Management Committee Evaluation

The 2026 Audit and Risk Management Committee Evaluation reflects a sound overall performance, with an overall score of 4.58, down from 4.91 in 2025. All six categories recorded a lower score than last year, with the largest movements in Risk Management and Committee Administration. These results should be read in the context of a year of considerable change, with two new Committee members appointed and recruitment for the role of Chair underway. Members continue to see the Committee as well run, engaged and adding value to East Waste, with every member rating its overall effectiveness at 5 out of 5.

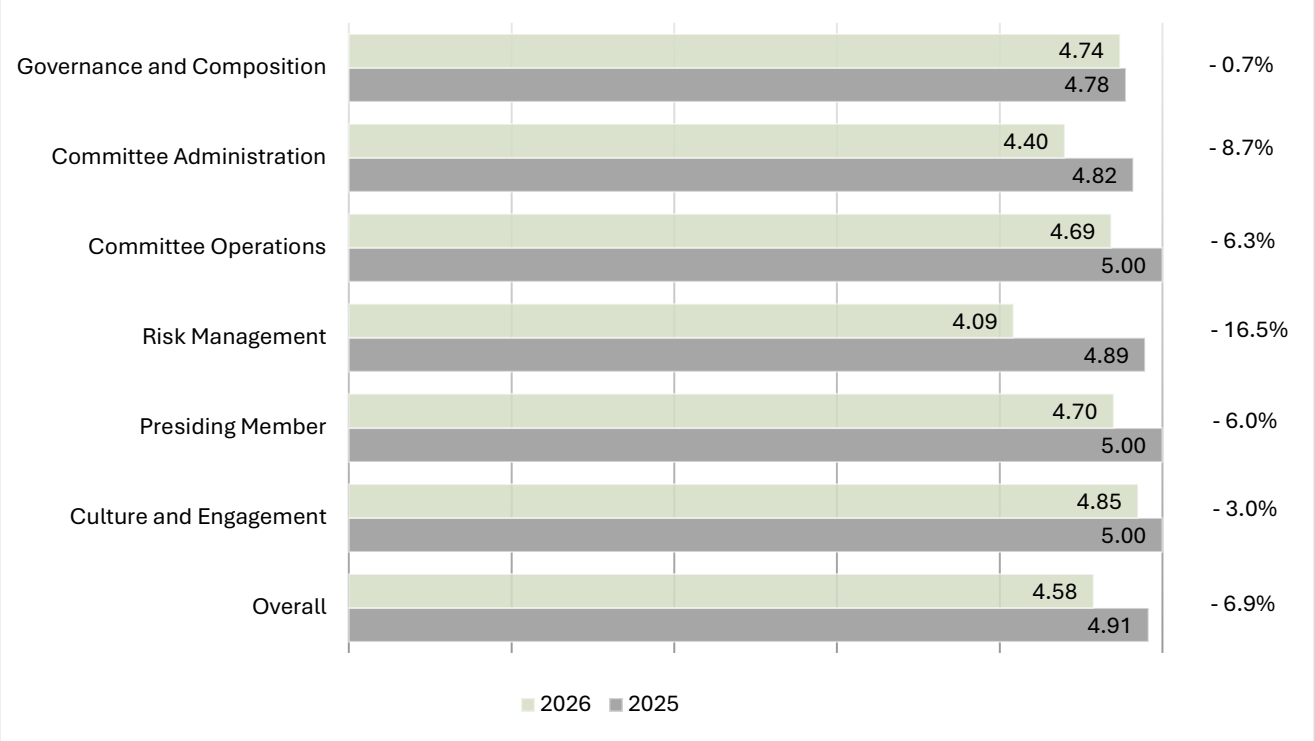
Graph 1 presents the overall Audit and Risk Management Committee evaluation results per category.

Graph 1



Graph 2 highlights the comparison against the 2025 evaluation.

Graph 2



Key Strengths

Culture and Engagement

Culture and Engagement remains the highest scoring category at 4.85. The Committee continues to use confidential orders appropriately, and all members feel able to express their professional view within meetings. Management is not seen to unduly influence the Committee's recommendations. Members noted that new members have been well inducted and are engaged and adding value.

Governance and Composition

Governance and Composition remained stable at 4.74 (4.78 in 2025). Committee size and structure, the balance of independent members, the role of the Chair, disclosure of conflicts of interest and compliance oversight all received perfect scores. Members noted that the updated Terms of Reference now include useful provisions on a skills matrix, the Nominations Committee and appointments.

Notable Improvements

Although no category improved overall, two statements identified as opportunities in 2025 have moved in the right direction:

- The Committee does not rely on any one Committee Member to provide appropriate advice and expertise (4.25 to 4.40).
- The Committee has distributed a workplan that covers the requirements of the Committee's Terms of Reference (4.25 to 4.40).

Feedback suggests some reliance on the Chair remains. This will be important to manage as the Chair transitions.

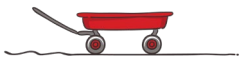
Key Opportunities

Risk Management

Risk Management recorded the largest decline, moving from 4.89 in 2025 to 4.09 in 2026, and is now the lowest scoring category. The lowest scoring statement in this category relates to the Committee's understanding of the Board's risk tolerance (3.20). This was also raised as an area for development in 2025. Comments indicate that a formal Board Risk Appetite Statement may not exist, although management has recently begun work in this area. Members also see an opportunity for more comprehensive reporting on the effectiveness of internal controls (4.00) and broader risk reporting beyond the scheduled Strategic Risk Register.

Committee Administration

Committee Administration moved from 4.82 to 4.40. The size of the agenda was the lowest scoring administration item at 3.00, with several members commenting that meetings have run over time due to the volume and complexity of matters. Members suggested managing the number of agenda items or increasing the frequency of meetings. Members also noted they are not always aware of the Board's decisions on Committee recommendations, reflected in the score for reporting to the Board (4.20). Members acknowledged that much of the recent workload reflects procedural catch-up, which may ease over time.



Committee Operations

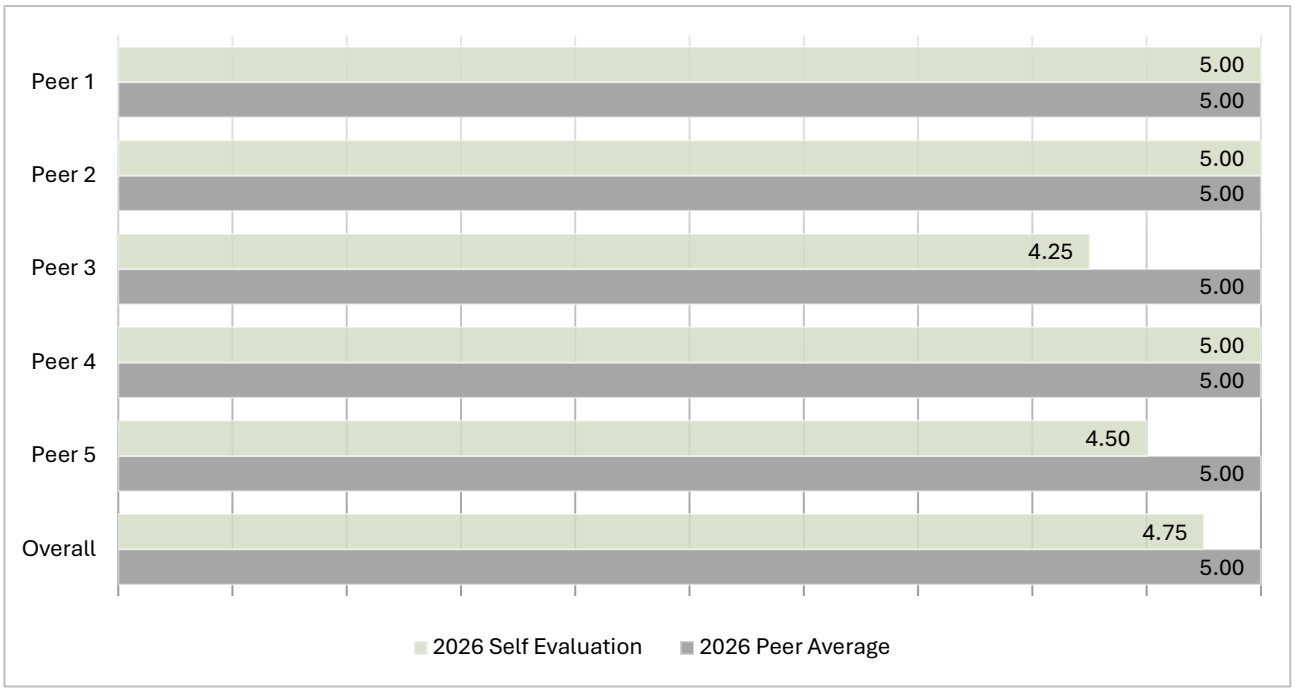
Committee Operations moved from 5.00 to 4.69. Discussions remain relevant and useful, and the Committee is seen to add value to East Waste. However, lower scores were recorded for the Committee's relationship with the Board (4.20), the Board actively seeking the Committee's views (4.40) and the relationship with Management (4.40). Whilst these scores are in no way low, closing the loop on Committee recommendations may help strengthen these relationships.

Average scores per evaluation statement are detailed in Appendix 1 for further analysis.

Individual Evaluation

The individual evaluations remain confidential and are only available to committee members directly, the East Waste Board Chair and East Waste's General Manager. Graph 3 measures the self-assessment against the peer assessment. The green bar highlights the individual's self-assessment whilst the grey bar indicates the average peer assessment.

Graph 3



Every member received the highest possible rating from their peers across all eight criteria, giving a peer average of 5.00 and a positive variance of +0.03 against the 2025 peer average. This reflects strong engagement and contribution across the Committee, including from the two newly appointed members.

Peer ratings and comments point to the following strengths across the Committee:

- **Strong knowledge of East Waste and local government.** Members were described as having deep knowledge of East Waste operations, the Charter, the industry and local government, along with the financial, risk and governance matters at the core of the role.
- **Thoughtful, valuable contributions.** Questions and observations were described as relevant, insightful and respectful, and as helping the Committee add value.
- **Strong leadership of the Committee.** Members praised the Chair's leadership, chairing, and technical and business knowledge.

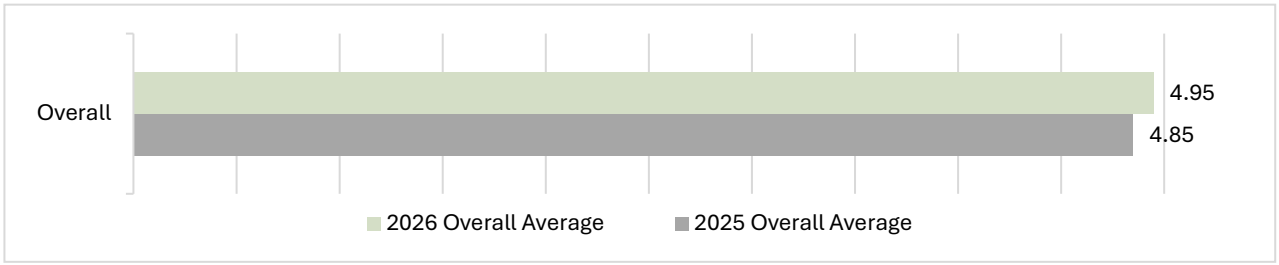
- **An inclusive and professional approach.** Members make space for others to contribute and bring an approachable style while staying focused.
- **Respectful working relationships.** All peers gave the top rating for collegiate and respectful conduct towards other members and Management.

No specific criteria received a peer rating below the highest level, indicating a uniformly high level of performance.

The Board Chair will receive these results for individual discussion with the respective committee members.

Graph 4 presents a comparison between the 2025 and 2026 results. For confidentiality, only the overall average is shown.

Graph 4



The averages shown are for all Committee members in each year and include self-ratings, which is why they sit below the 5.00 peer average in Graph 3. Membership changed between the two years.

Appendix 1

2026 Audit & Risk Management Committee Evaluation Results

OVERALL SCORE	4.58

Governance and Composition	4.74
The Committee is of an appropriate size and structure, and collectively has the required skills, commitment and knowledge to manage its workload and obligations	5.00
The balance of independent vs non-independent members is appropriate	5.00
The Committee's Terms of Reference clearly outline roles and responsibilities	4.80
The role of the Chair is clearly defined and understood	5.00
Committee members understand their legal duties on behalf of East Waste	4.80
The Committee does not rely on any one Committee Member to provide appropriate advice and expertise	4.40
The remuneration of the Committee is appropriate based on role, responsibility, skills/ experience, time commitment and retention	4.00
The Committee has distributed a workplan that covers the requirements of the Committee's Terms of Reference	4.40
All Committee members appropriately disclose any conflicts of interests	5.00
The Committee has oversight of compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements	5.00
Comments	
Having just reviewed the ToR I think there have been useful inclusions around a Skills Matrix, the Nominations Committee and other appointments clarity.	
We are a little Chair dependent as the Chair does most of the heavy lifting.	

Committee Administration	4.40
Committee meetings are appropriately scheduled (i.e. frequency, timing, duration, etc.)	4.80
Agenda papers are distributed in a timely manner	4.80
The size of the agenda is manageable within the meeting	3.00
Committee reports are well written and can be easily understood	4.60
The business of the Committee is accurately captured in the minutes	5.00
The Committee has a useful process to following up actions from previous meetings	4.40
The minutes, decisions and actions of the Committee are reported to the Board in a timely and accurate manner	4.20
Comments	
Experienced Chair and Governance Advisor ensure that meeting proceedings are run effectively and in accordance with local government requirements.	

Committee decisions are taken to the next Board meeting. To find out the outcome, members need to read the minutes of the Board meeting, or may find out at a subsequent Audit and Risk meeting if the matter comes back to the Audit and Risk Committee.
We are too busy but that might be a result of catching up on the past. Hopefully we will be less busy.
A number of times, meetings have gone longer than scheduled due to the number of matters that needed to be discussed.

Committee Operations	**4.69**
The discussions within the Committee meetings are relevant and useful for decision making	5.00
The Committee adds value to the work of East Waste	5.00
The Board actively seeks the views of the Committee on matters relating to its terms of reference	4.40
The Committee's operations does not diminish the ultimate responsibility of the Board	4.80
The Committee has a constructive relationship with the Board	4.20
The Committee has a constructive relationship with Management	4.40
The Committee has appropriate access to information and staff	5.00
Comments	
I have been impressed with the operation of the Committee. The quantity of agendas and papers is high, the proceedings within meetings are effective and discussions are thorough and robust. The past few meetings have been lengthy so may warrant consideration if this persists.	
I believe the Committee works to the best of its ability to provide a well-considered recommendation for the Board's consideration.	

Risk Management	**4.09**
Management keep the Committee informed of relevant information and risks between meetings	4.20
The Committee has a clear understanding of the Board's risk tolerance	3.20
The Committee ensures that the organisation has appropriate internal controls, frameworks, systems and processes established for the management of risks	4.20
The Committee reviews and understands the organisations risk profile	4.20
The Committee is confident that senior executives understand their responsibilities for managing risks	4.60
The Committee is confident that East Waste has appropriate internal controls established to manage risks	4.20
The Committee receives comprehensive reporting that assesses the effectiveness of internal controls	4.00
Comments	
Risk informs the Internal Audit and External Audit scope, internal control reviews and ultimately recommendations for improvement. The ARC Forward Planner has the Strategic Risk Register as a scheduled item but there is limited reporting on risks beyond that. To the best of my knowledge I am not aware that a formalised Board Risk Appetite Statement exists.	
Recently more focus on the level of risk appetite the Board has, and work in this area from management.	

Presiding Member	4.70
The Committee presiding member has an effective and constructive working relationship with the Board and Management	4.60
The Committee presiding member builds healthy room dynamics	4.80
The Committee presiding member ensures that the Committees workload is managed appropriately	4.80
The Committee presiding member keeps the meeting focused and on track	4.60
Comments	
The current Chair is very experienced in both chairing and the East Waste business. Her expertise and the value she adds will be missed.	
Value her in-depth contribution and chairing skills as Presiding Member.	
Presiding Member very knowledgeable, focused, and has good critical thinking skills to ensure this Committee works to the best of its ability to provide a well-considered recommendation.	

Culture and Engagement	4.85
Management does not unduly influence the recommendations of the Committee	4.80
The Committee uses confidential orders appropriately and conducts sessions without management present from time to time	5.00
All Committee members express their professional view within the meeting	5.00
The Committee works effectively as a team	4.60
Comments	
Change in composition over 12 months is high. There have been two new Committee Members appointed and the role of Chair is currently under recruitment. This has been managed well through induction and all members appear engaged and adding value.	

Overall Effectiveness of the Committee	5.00
Comments	
I have been impressed with the effectiveness of this Committee and its interactions with Management and the Board Chair.	
We are all given the opportunity to have a say, and are listened to. Overall believe functioning well.	
Given the number and complexity of matters that may come before the Committee, consideration could be given to managing the number of agenda items or increasing the frequency of meetings. This would allow sufficient time for each matter to be properly considered and discussed without the decision-making process being rushed.	
We have done a lot of procedural housecleaning so we can now turn to the business.	

9.13 Customer Service Telephony Metrics Report 2025/2026

Report Author	Acting Manager Business Services
Attachments	**A:** East Waste Annual Customer Service Metrics Report 2025/2026

Purpose and Context

The Customer Service Telephony Metrics Report is presented to the Audit & Risk Management Committee (the Committee) for comment and feedback prior to presentation to the East Waste Board.

The report presents key annual telephony metrics that provide insight into the customer service East Waste delivers to residents of its Member Councils.

These metrics provide a high-level overview of how telephone enquiries are managed, enabling performance assessment, identifying opportunities for improvement and informing operational decisions. They support East Waste's broader goals of improving service delivery, enhancing customer satisfaction and managing risks associated with communication and response times.

The report also promotes transparency and supports the Committee's oversight of alignment with East Waste's strategic and operational objectives.

Recommendation

That the Audit & Risk Management Committee notes the Customer Service Metrics Report *(Attachment A, Item 9.13, Audit & Risk Management Committee Meeting, 11 November 2026)* ***and recommends presentation to the East Waste Board.***

Strategic Link

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

Strategy 1.5 Provide a consistently high standard of Customer Service.

Background

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

The new telephone system has now been in place an operation for a period of three (3) years, with this being the third Customer Service Telephony Metrics report presented to the Committee, which includes year-on-year comparison data where appropriate. It was a request of the East Waste Board that this become a standard annual item on the Agenda.

In addition, recently in October 2025 East Waste implemented a Complaints Management Ticketing System, a deliverable in East Waste 2025/2026 Annual Business Plan, and the new capability already demonstrates improved complaint resolution, transparency, and ongoing service improvement.

Report

The Customer Service Telephony Metrics Report 2025/2026 is provided at **Attachment A** for the Committee's reference and highlights key customer service statistics, including the number of calls handled, reasons for calls, average handling times, and average wait times during the financial year, and interprets key findings.

The scope and detail of reporting will expand over time as customer service telephony processes are further refined and developed, supporting a more comprehensive understanding of service delivery and opportunities for improvement.

Conclusion

This reporting tool will support Administration in identifying opportunities to improve customer service efficiency and enhance service delivery to East Waste's Constituent Councils and residents.

Customer Service Telephony Metrics Report

2025/2026

Introduction

The Customer Service Telephony Metrics Report provides an overview of East Waste's Customer Service telephony metrics for the 2025/26 financial year, examining call volumes, reasons for contact, average call wait times, abandoned calls, call handling times and recorded complaints. It outlines key trends in customer demand and the implications for service delivery and resourcing.

During the year, the Customer Service team handled **52,508** calls, with demand steadily increasing compared with prior year data. The report considers this growth alongside the team's continued focus on resolving enquiries at the first point of contact, balancing timely resolution with the quality and completeness of each customer interaction.

The data also identifies opportunities to strengthen service monitoring, improve complaints reporting and reduce the need for routine telephone contact through enhanced website functionality and self-service options.

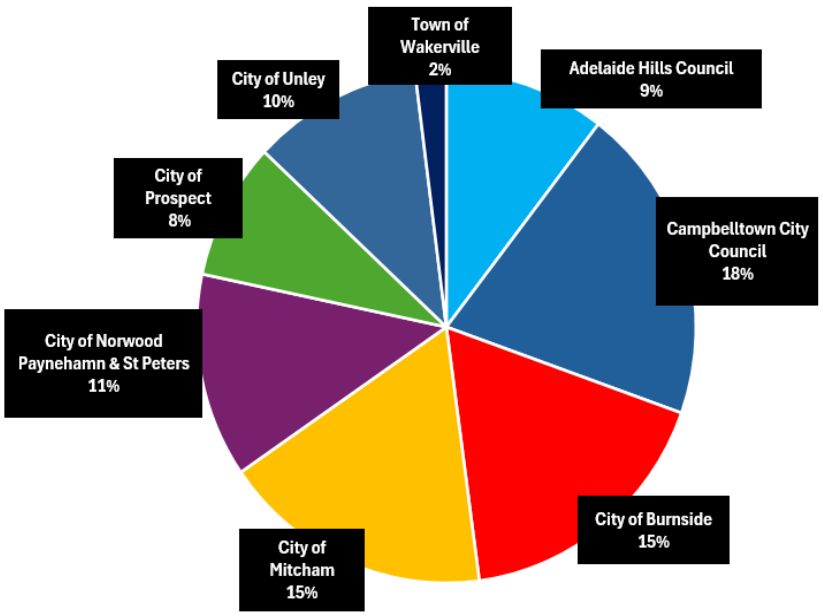
Inbound Calls Per Month – FY25 vs FY26



The inbound call data represents handled calls only, being calls that were queued, and successfully connected to a Customer Service officer, excluding any abandoned or disconnected calls.

The data demonstrates an increased demand for East Waste's Customer Service function, with **3,719** additional calls handled in FY2026 versus FY2025.

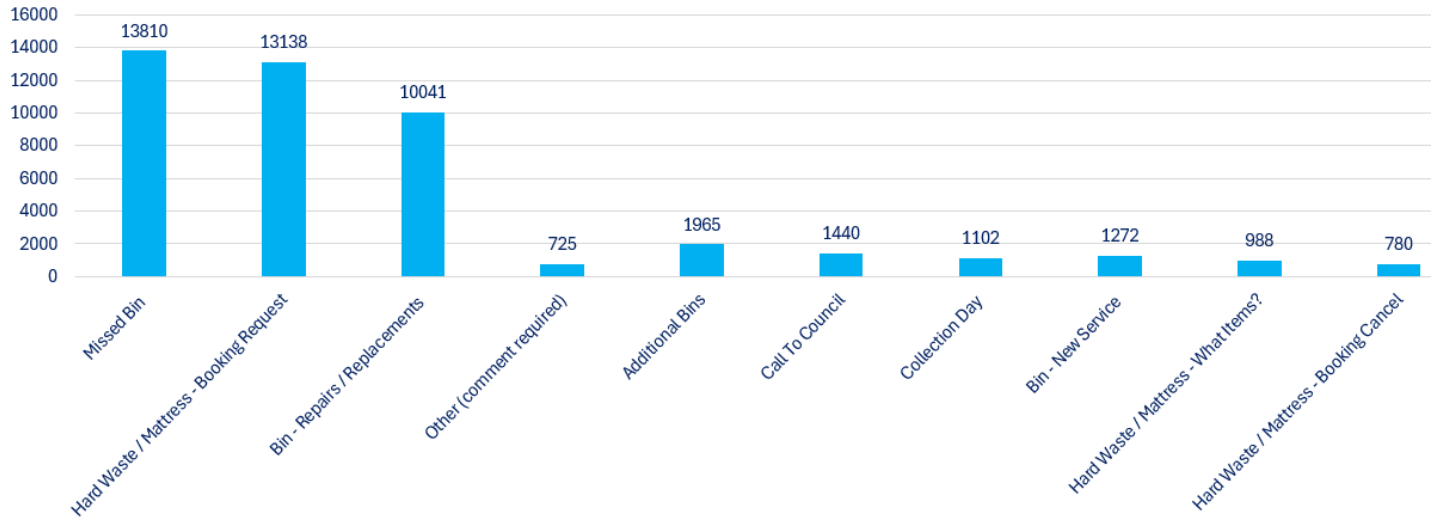
% of Calls by Constituent Council



The monthly comparison demonstrates that calls exceed FY2025 levels in all months except January and April. FY2026 call volumes peaked in October at 4,916 which is typically one of East Waste's busier periods, and reached their lowest point in April at 3,734, before rising again in May and June.

This steady growth supports East Waste's need for additional resourcing and provides context for the increase in staffing from 4 to 5 full-time equivalent (FTE) positions over the past twelve (12) months. The additional call volume is estimated to represent 0.5 FTE in talk time alone, excluding the additional administration tasks required to process the associated requests.

Reasons for Calling East Waste

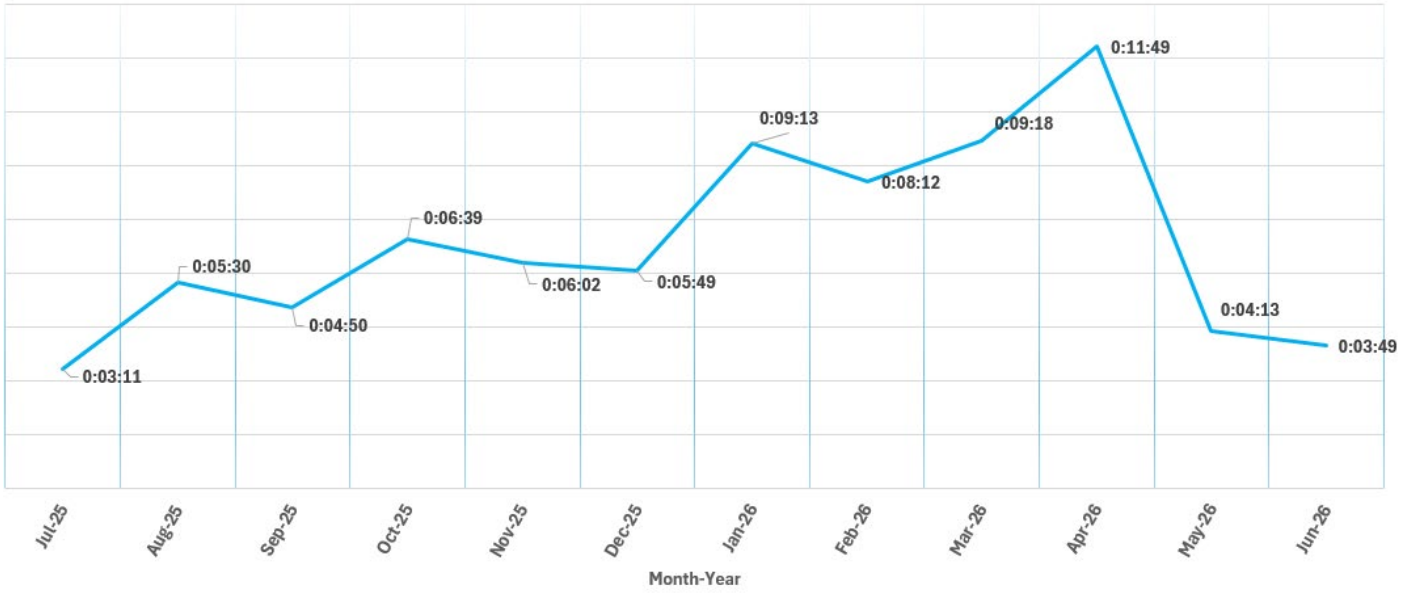


The majority of the telephone calls to East Waste (80%) related to missed-bin queries, hard waste booking requests, and bin repair/replacement requests, consistent with core service demands.

East Waste's Customer Service team provides more than a call handling function. Staff are trained and experienced in resolving enquiries at the first point of contact, including complex or less routine matters that require judgement, problem-solving and a response tailored to the customer's circumstances. This capability enables the team to provide timely and practical assistance to residents and other stakeholders.

There are opportunities to reduce call volumes and improve the customer experience through enhanced website functionality and greater access to self-service options in the future. This may include streamlined online booking processes, better integration between systems and the use of AI-assisted responses for routine enquiries. Over time, these improvements will assist customers to complete straightforward transactions online, while allowing Customer Service staff to focus their time on more complex enquiries and customers who benefit from direct assistance.

Average Call Wait Times by Month (minutes)



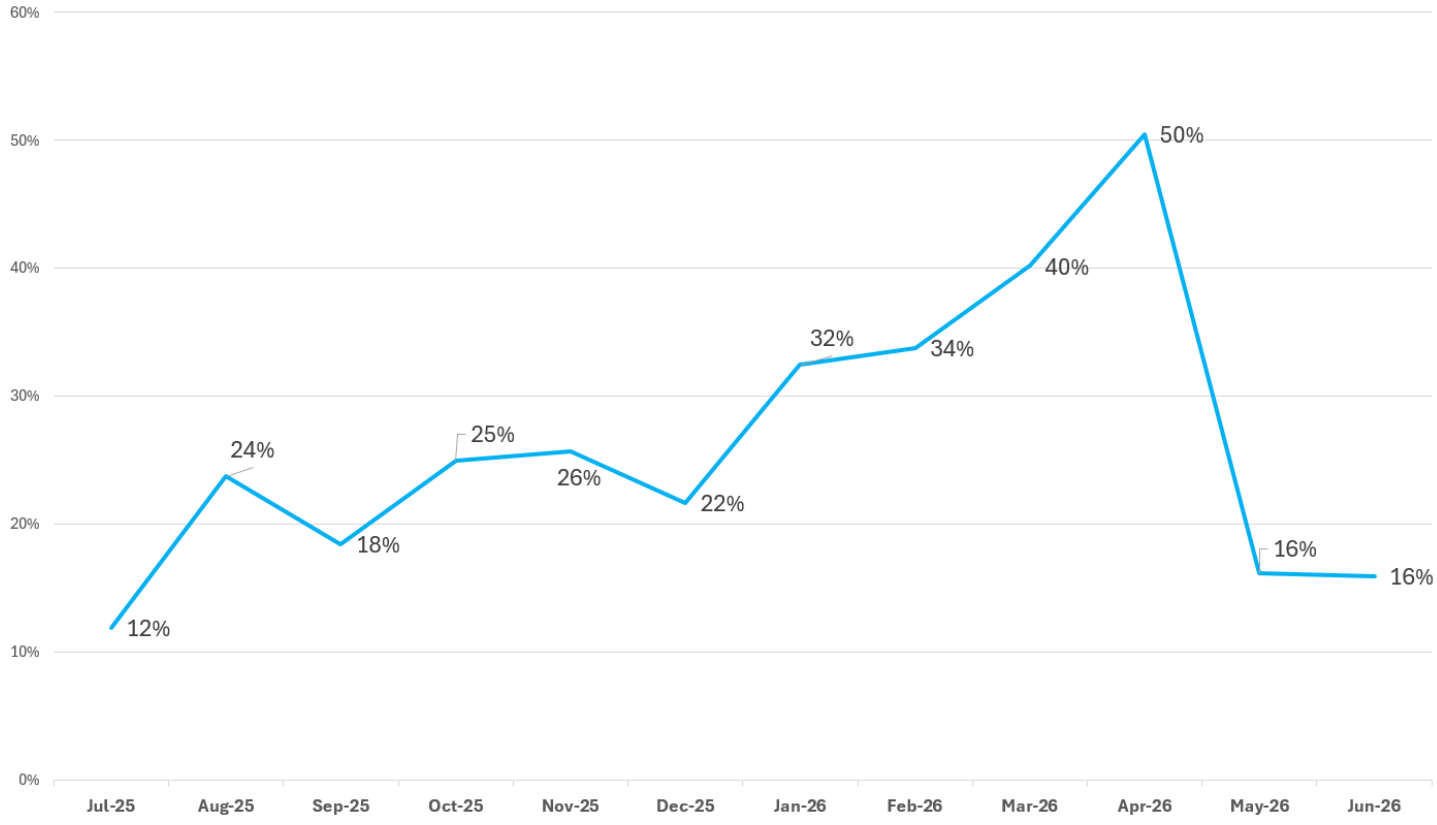
Historically, East Waste measured Customer Service performance against an industry benchmark of the number of calls answered within thirty (30) seconds, with performance against this benchmark reported through the Customer Service Metrics Report. While the measure reflected a generally accepted expectation for telephone responsiveness, its relevance had diminished over time, particularly given resourcing constraints and significant fluctuations in call volumes during peak periods.

With the establishment of Service Level Agreements with Constituent Councils, East Waste transitioned to a measure directly aligned with agreed service expectations, being an average call wait time of no longer than 10 minutes. From 1 July 2026, performance against this service level has been closely monitored, with staffing and resourcing adjusted where required to respond to customer demand.

Importantly, the service level commitment and Constituent Council expectations have meant the measure is more meaningful to Customer Service staff, with the service level being adopted as a shared team KPI, creating greater ownership of service performance and a collective sense of achievement within the small collaborative team.

Notwithstanding this change in performance measure from FY2027, average call wait times generally remained comfortably within established service levels throughout FY2026. March and April 2026 were the notable exceptions, with March presenting particular challenges due to the onboarding of new Customer Service staff and telephone system issues, which temporarily impacted response times.

% of Abandoned Calls by Month

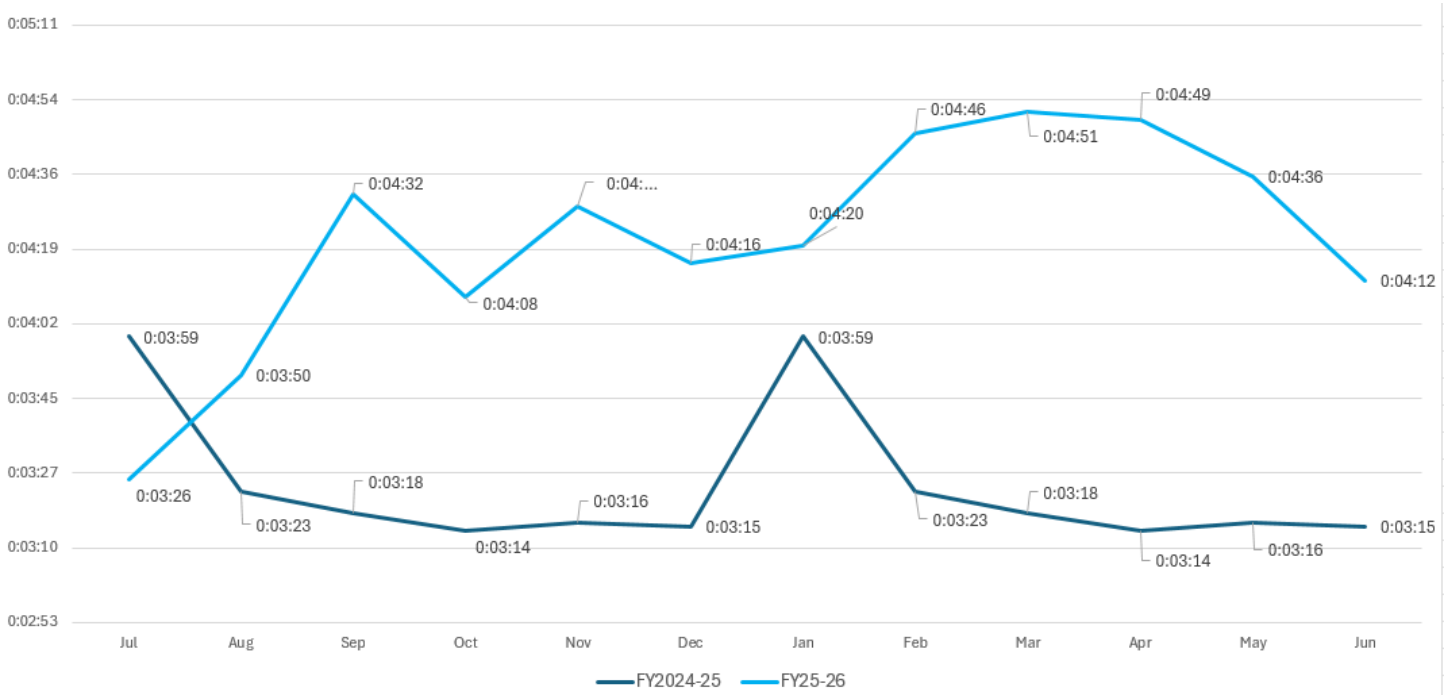


Abandoned calls represent calls that enter the Customer Service queue but are ended by the caller before being connected to an agent. During FY2026, an average of 26% of queued calls were abandoned, meaning the total number of contacts entering the queue was notably higher than the number ultimately handled by Customer Service staff.

Abandonment rates generally increase during periods of longer call-wait times, as customers may choose to end the call after hearing their position in the queue and either call back at another time or pursue an alternative contact method. However, an abandoned call does not necessarily represent an unresolved enquiry. East Waste's on-hold messaging provides callers with information about alternative service channels, including enquiries and transactions that can be completed online or via email, enabling some customers to resolve their enquiry without remaining in the queue.

This relationship between wait times and abandonment is reflected in the monthly abandoned calls statistics, with the abandonment rate increasing to approximately 50% in April 2026, which also recorded the highest average call-wait time for the reporting period.

Average Handling Time by Month



Average call handling time increased by approximately one minute from FY2025 to FY2026. Handling times in FY2025 generally remained around three minutes per call, while FY2026 has more consistently averaged above four minutes, reaching a high of 4 minutes 51 seconds in March 2026.

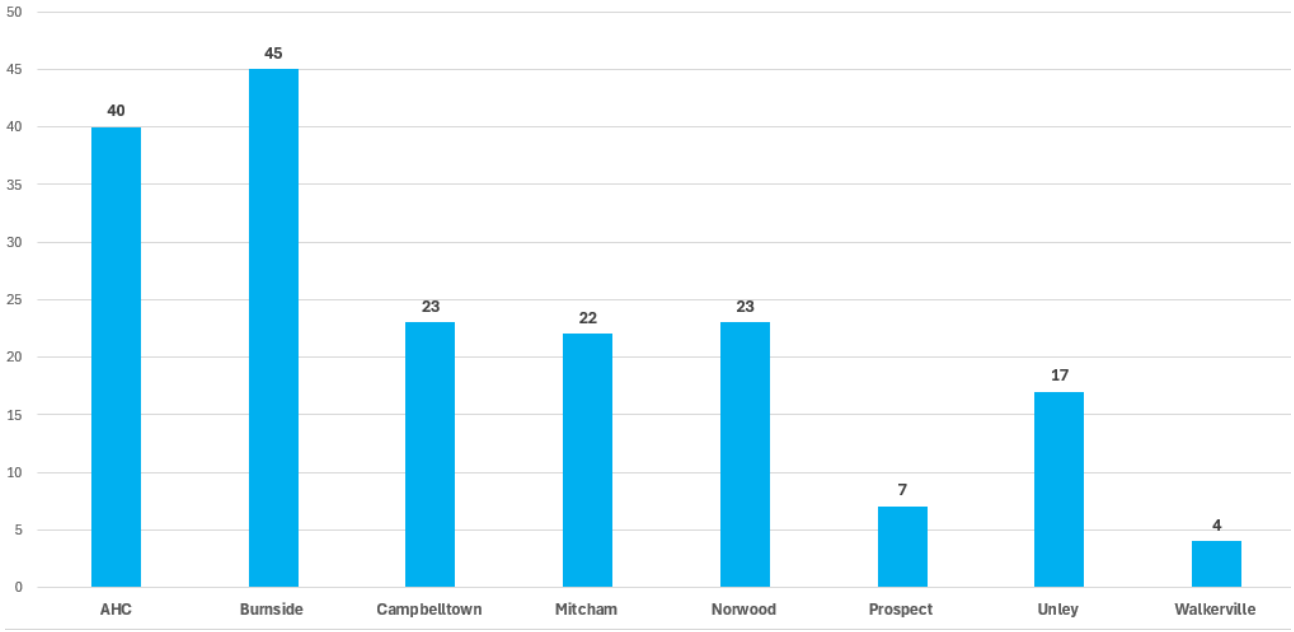
Importantly, the increase in call-handling time does not represent a reduction in Customer Service productivity or efficiency. Rather, the increase reflects the continued development of more robust Customer Service processes and a greater focus on resolving enquiries at the first point of contact over the past 12-months, with an internal average handling time benchmark of 4 minutes and 30 seconds being agreed upon in the latter of FY2026.

Customer Service staff are taking greater ownership of enquiries and, where possible, completing the necessary investigation, system updates and actions while dealing with the customer, rather than simply recording or redirecting the enquiry for later follow-up. While this approach can increase the time spent on an individual call, it provides a more complete service to the customer and reduces repeat contact, internal hand-offs and subsequent rework. Average handling

times are monitored closely by management and contribute to key KPIs for Customer Service Staff that are reported and shared weekly with staff.

It is crucial to find the balance of quality and completeness of each customer interaction, rather than relying on call duration alone. The additional time invested at the first point of contact supports more effective resolution of customer enquiries and enables Customer Service staff to close out a greater proportion of matters without further intervention.

Complaints by Constituent Council



Complaints represent all complaints formally recorded in East Waste's complaints management ticketing system, with 181 complaints being recorded during the financial year. As the system was newly implemented in October 2025, it is worth noting the statistics only partially represent the financial year. Of the complaints recorded during the period, Burnside recorded the highest number (45), followed by Adelaide Hills Council (40).

An important review of East Waste's Complaint Handling Policy was undertaken at the commencement of FY2027, including clarification of what constitutes a complaint, and corresponding changes to internal recording and management processes. This has enabled complaints to be more consistently identified, classified and monitored, and provides a stronger basis for understanding not only the number of complaints received, but also the nature of the issues giving rise to them.

From FY2027, complaints are being captured under newly established categories including:

- Collection/Service Issues
- Incidents and Damages
- Customer Service
- Staff Conduct
- Council Referred Complaints
- Escalated Complaints

This more structured approach will provide greater visibility of emerging trends and recurring issues and support more targeted service improvements. Reporting in future years will therefore be able to provide greater analysis of complaint types and trends, rather than relying primarily on overall complaint volumes by Constituent Council.

Conclusion

The FY2026 results demonstrate increased demand for East Waste's Customer Service function and the importance of balancing timely telephone access with thorough enquiry resolution. Longer handling times reflect the organisations focus on completing investigations and actions at the first point of contact, rather than simply recording or redirecting enquiries.

Looking ahead, the agreed service levels and more structured complaints reporting introduced in FY2027 provide a basis for clearer monitoring and targeted improvement going forward. East Waste will continue to explore enhancing website functionality for opportunities to reduce routine telephone contact while retaining direct assistance for complex enquiries. Together, these priorities support a more accessible and sustainable service for residents and Constituent Councils.

9.14 Work Health & Safety Report 2025/26

Report Author	Risk and WHS Business Partner
Attachments	Nil.

Purpose and Context

The purpose of this report is to present the Audit & Risk Management Committee with the 2025/2026 Work Health & Safety (WHS) Report**.**

This report provides:

- an overview of key WHS and injury management performance.
- a summary of WHS Management System improvement and assurance activities.
- worker health and wellbeing outcomes.
- progress against the WHS & Injury Management Action Plan and Local Government Association Workers Compensation Scheme rebate program.
- key risks, priorities, and opportunities for the next reporting period.

This information supports the Board's oversight role, ensuring East Waste maintains compliance with the *Work Health & Safety Act 2012* (SA), aligns with the Local Government Risk Services (LGRS) framework, and continues to build a strong, proactive safety culture.

Recommendation

That the Audit & Risk Management Committee note the East Waste Work Health & Safety Report 2025/2026.

Strategic Link

Objective 5. Provide Leadership
Strategy 5.1 Implement best practice safety standards

Background

East Waste Administration is committed to maintaining a safe workplace and meeting its obligations under the *Work Health and Safety Act 2012* (SA). East Waste continues to actively monitor, review and report on Work Health and Safety (WHS) and Injury Management performance.

During 2025/2026, East Waste continued strengthening its WHS Management System through the transition to LG Safe, with a significant focus on governance, controlled documentation, hazard and risk management, corrective and preventative actions, training and competency, worker consultation and assurance of control effectiveness.

Discussion

Key highlights from the 2025/2026 WHS performance include:

- **Lost Time Injury:** One Lost Time Injury was recorded during 2025/2026, resulting in 148 lost workdays. The Lost Time Injury Frequency Rate was 6.6, compared with an LGRS group average of 5.6.
- **Injury Claims:** Four workers compensation claims were received during 2025/2026, consistent with the previous year. Early intervention, recovery support and safe return to work remain key priorities.
- **Current Claims Position:** Workers compensation claims continue to be actively monitored through LGRS reporting. The current dashboard records 102 claims, with 97 closed and 5 remaining open. For the current reporting period, one claim has been incurred compared with four in the previous period, indicating a positive reduction in claim incidence. Claims payments for 2026 total $99,585.
- **WHS Management System:** Key WHS policies, procedures and supporting systems have been reviewed and strengthened, including document management, hazard and risk management, Corrective and Preventive Action (CAPA), training and competency, consultation, reporting and WHSMS review arrangements.
- **Corrective Actions and Assurance:** Greater emphasis has been placed on implementation evidence and verification that controls and corrective actions are effective, including use of Skytrust for action monitoring and evidence retention.
- **Key Risk Areas:** Current priorities include psychosocial risk management, workplace noise, fatigue, heavy vehicle and chain of responsibility assurance, overweight vehicle controls, contractor management and incident investigation quality.
- **Health and Wellbeing:** Health assessments undertaken in July 2026 identified positive cholesterol, blood glucose and blood pressure results, while highlighting opportunities relating to nutrition, sleep, psychological wellbeing, sedentary behaviour, lung function and strength. Skin screening identified three referrals from 19 workers screened.
- **LGAWCS Rebate Program:** The 2025/2026 WHS and Injury Management Action Plan is now closed, with final progress recorded at 59%. Thirteen actions remained outstanding at closure. Relevant requirements and improvement opportunities from those items will be incorporated into East Waste's ongoing WHS improvement program and, where applicable, aligned with the 2026/2027 Rebate Action Plan to ensure continuity and minimise gaps between rebate periods.
- **2026/2027 Rebate Action Plan:** The next plan has been developed with a stronger focus on assurance, verification and control effectiveness. The working plan contains 17 actions across seven connected work areas with responsibilities, due dates, measurable outputs, evidence requirements and quarterly monitoring.

Key challenges remain the ongoing management of fatigue, psychosocial hazards, workplace noise exposure, heavy vehicle risk and ensuring newly implemented WHS processes are fully embedded and operating effectively. Opportunities exist to strengthen assurance, training, technology, reporting and leadership oversight.

Reporting

The full Work Health & Safety Report provides detailed information on:

- WHS and injury management performance.
- Workers' Compensation Claims and lost time injury performance.
- WHS Management System improvement and implementation.
- Corrective action and hazard management assurance.
- Worker health and wellbeing outcomes.
- 2025/2026 WHS & Injury Management Action Plan and rebate outcome.
- 2026/2027 rebate priorities and ongoing WHS improvement work.

This reporting enables the Audit & Risk Management Committee and East Waste Board to monitor progress, evaluate risk management effectiveness, and ensure alignment with East Waste's strategic objectives and WHS obligations.

Conclusion

East Waste has made significant progress in strengthening its WHS governance and management systems during 2025/2026. The transition to LG Safe, increased focus on training and competency, stronger CAPA and risk management processes, worker health initiatives and the development of the next rebate action plan provide a sound foundation for continued improvement.

The 2025/2026 LGAWCS Action Plan closed at 59%, with 13 actions outstanding. These outstanding areas will continue to be addressed through the ongoing WHS improvement program and, where applicable, the 2026/2027 Rebate Action Plan so that improvements are not lost between rebate periods.

East Waste Administration will continue to focus on embedding the updated WHS systems, verifying the effectiveness of controls, monitoring emerging risks and maintaining leadership accountability.

9.15 Information Report

Report Author:	Principal Consultant, Clearly Strategic
Responsible Officer:	Acting Manager Business Services
Attachments	A: General Manager's Credit Card –September and October 2026
	B: Policy Register
	C. Audit & Risk Management Committee Resolution Register
	D: Annual Reporting Calendar
	E: 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 notes the Information Report as presented on the 11 November 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 (Committee):

1. **Update on Status of Proposed Code of Conduct for Independent Members of East Waste Board Committees**

   At the Audit & Risk Management Committee held on 16 September 2026 the Committee considered the draft Eastern Waste Management Authority Code of Conduct for Independent Committee Members and requested that Administration seek further clarification on the proposed process requiring Committee Members to submit Primary and Ordinary Returns (Returns).

Norman Waterhouse Lawyers (NWL) have advised that the Authority can validly impose a requirement that Independent Members of Board Committees submit Returns. The process for submitting Returns as specified in section 72 of the *Local Government Act 1999*, (Act) which applies to committees of councils, may be applied to Board Committee's as if they were a committee of a council. Given the oversight roll of the Audit & Risk Management Committee NWL have recommended that this process be enacted.

Subsequently section 68 of the Act, will also apply to Committee Members, by which if a Committee has not submitted the required Return to the General Manager within one month of period specified, the Committee Member will be suspended from Office.

The procedure for submitting Returns will be included as an Appendix to the Eastern Waste Management Authority Code of Conduct for Independent Committee Members.

2. Credit Card Expenditure

The presentation of the General Manager's credit card expenditure is 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 September and October is included at **Attachment A** and includes parking for attendance at meetings, flights to Melbourne for the General Manager and Risk & WHS Business Partner to attend the Waste Expo in Melbourne, and a source separation system.

Extract from Review of Internal Controls:

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

Credit Card Policy extraction:

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

3. East Waste Policy Register

The presentation of the Policy Register is a recurring annual agenda item, ensuring ongoing oversight by the Audit & Risk Management Committee and the East Waste Board.

The East Waste Policy Register is included at **Attachment B** and is current as of 5 November 2026.

East Waste currently maintains a suite of 19 public policies and procedures inclusive of one (1) Code of Conduct and one (1) Code of Practice.

East Waste's public policies and procedures are reviewed on a regular basis. The current review cycle is generally 4-yearly unless required more frequently by legislation or in response to changed circumstances.

The Policy Review Schedule (**Attachment B**) details the current status of public policies and procedures and provides accompanying notes on the status of each policy or procedure.

General Analysis

Attachment B, categorises East Waste's public policies and procedures in alphabetical order, indicating the last review date, the current review date and the key function of the document. The following legend has been ascribed to indicate documents which are currently overdue or are due for review within the next six (6) months.

- ORANGE = To be presented to the East Waste Board at the next available meeting.
- GREEN = With the Executive Leadership Team for consideration and comment.

- PINK= due for review within the next six (6) months
- RED = more than six (6) months overdue for review or required by the East Waste Charter and not commenced.

A total of six (6) documents are currently overdue for review by more than six (6) months of which three (3) documents will be presented to the November 2026 meeting of the East Waste Board for adoption. A further three (3) will be presented to the Audit & Risk Management Committee meeting in the first half of 2027.

Noting that the Local Government Elections will be held in April 2027, three (3) will fall due for review within the next six (6) months, with the Codes of Practice to be reviewed within six (6) months of the elections.

Two (2) new policies, highlighted in green, are sitting with the Executive Leadership Team for consideration and comment.

It is anticipated that the reviewed East Waste Charter will be distributed to Constituent Councils for consideration and comment in late 2026.

Documents adopted by the East Waste Board in 2026

The Committee will note that in 2026 the East Waste Board adopted the following policies and terms of reference:

- Complaint Handling Policy
- Protection of the Environment Policy
- Fraud and Corruption Prevention Policy
- Public Interest Disclosure Procedure
- Audit & Risk Management Committee Terms of Reference
- Eastern Waste Management Code of Conduct for Directors and Deputy Directors.

The following documents were considered and endorsed by the Committee in 2026 and are yet to be considered by the East Waste Board.

- Member Council Rebate & Distribution Policy
- Treasury Management Policy
- Budget Framework Policy
- Constituent Council Compensation Policy.
- Eastern Waste Management Code of Conduct for Independent Committee Members.

4. Resolutions Register

The presentation of the Outstanding Resolutions Register (**Attachment C**) to the Audit & Risk Management Committee (Committee) is considered a good governance practice.

Ongoing matters continue to be incorporated or tracked to achieve completion.

There are currently five (5) ongoing items on on the Committee's Resolutions Register.

5. 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 (**Attachment D**) provides a snapshot update of the progress of East Waste's key legislative and governance reporting requirements for the calendar year.

This is a standing item on the Agenda.

6. East Waste Contract Register

Presenting the Contract Register to the Audit & Risk Management Committee supports effective oversight of East Waste's contractual obligations and procurement compliance. Regular review assists the Committee to identify financial, operational and governance risks, monitor the adequacy of internal controls, and provide assurance that contracts are being managed transparently and in accordance with approved policies.

A copy of the current East Waste Contract Register as at 8 November 2026 has been included in this report (**Attachment E**).

GENERAL MANAGER CREDIT CARD RECONCILIATION LEONARD LEYLAND SEPTEMBER 2026					
Value Date	**Transaction Description**	**Description**	**Coding**	**Amount**	**Receipt**
18/09/2026	CITY OF ADL UPARK ADELAIDE AU		6-1924	$ 18.00	YES
18/09/2026	CITY OF ADL UPARK ADELAIDE AU		6-1924	$ 18.00	YES
		TOTAL		**$ 36.00**	$3.27

Tax Invoice

City of Adelaide
ADE_UP01-AC
C/P 218 Flinders Street
Receipt 8581

PARKING FOR
S507CPK
PARKING PAID UNTIL
19:07
2026-09-16

15:07 2026-09-16
Fee Paid: $18.00
Card 456494.....9116
Auth 052743
(Inc GST)

Receipt Code 7039

ABN: 20-903-762-572

You can only park up to the
time limit shown on the
signs.
After this period, you must
move
your vehicle from this area.

Tax Invoice

City of Adelaide
ADE_UP01-AC
C/P 218 Flinders Street
Receipt 8582

PARKING FOR
S534DJS
PARKING PAID UNTIL
19:09
2026-09-16

15:09 2026-09-16
Fee Paid: $18.00
Card 456494.....9116
Auth 076166
(Inc GST)

Receipt Code 8725

ABN: 20-903-762-572

You can only park up to the
time limit shown on the
signs.
After this period, you must
move
your vehicle from this area.

GENERAL MANAGER CREDIT CARD RECONCILIATION
LEONARD LEYLAND
OCTOBER 2026

Value Date	Transaction Description	Description	Coding	Amount	Receipt
13/10/2026	Multisort Bins - Source Seperation Systems	Paid by CC Lorraine Wood 1.20pm 13/10/2026			
8/10/2026	VIRGIN AU 7952127798 WWW.VIRGINAUS AU	1		$ 651.98	yes
14/10/2026	SOURCE SEPARATION SYST BOOLAROO AU	2		$ 366.40	yes
26/10/2026	CARD FEE	3		$ 55.00	n/a
		TOTAL		$ 1,073.38	

5/11/26

ABN 36 090 670 965

E-Ticket, Itinerary, Receipts and Tax Invoice

Guest Information

TICKET NUMBER	7952127798513
GUEST NAME	BROOKS/JAMIE THOMAS MR
NAME REF	ADT
ISSUE DATE	07 OCT 2026
ISSUING AIRLINE	VIRGIN AUSTRALIA
ISSUING AGENT	VIRGIN AUSTRALIA ITINERARY/SDX

Reservation Number

NKOCNK

Itinerary Details

FLIGHT	DEPART	ARRIVE	CABIN CLASS / SEAT	INCLUDED BAGGAGE	TICKET INFO
VA 236 Ok to fly **Operated by:** VIRGIN AUST INTL FOR VIRGIN AUST	**ADELAIDE, AUSTRALIA (ADL)** MAIN TERMINAL **27/Oct/2026** 5:50pm	**MELBOURNE, AUSTRALIA (MEL)** TERMINAL 3 **27/Oct/2026** 7:40pm	**Economy / U 20A**	**1 piece**	**Fare Type:** Choice **Fare Basis:** UZCH0 **Not Valid Before:** 27 Oct **Not Valid After:** 27 Oct

This is not a boarding pass

VA 211 Ok to fly	**MELBOURNE, AUSTRALIA (MEL)** TERMINAL 3 **30/Oct/2026** 7:10am	**ADELAIDE, AUSTRALIA (ADL)** MAIN TERMINAL **30/Oct/2026** 8:00am	**Economy / U 24F**	**1 piece**	**Fare Type:** Choice **Fare Basis:** UZCH0 **Not Valid Before:** 30 Oct **Not Valid After:** 30 Oct

This is not a boarding pass

Flight	Economy	Premium~	Business
Domestic - All Virgin Australia flights within Australia	Lite, Choice, Flex	N/A	Business
International Short Haul - All flights, departing to/arriving from countries within South East Asia and the Pacific	Lite, Choice, Flex	N/A	Business
Velocity Reward Bookings^ - All reward flights on both Domestic, International and Partner Airlines	Reward Economy	Reward Premium	Reward Business

Velocity Reward bookings are fares available to Velocity Members for the purpose of redeeming Velocity Points. Refunds and itinerary changes for Reward Seat bookings are permitted at least 24 hours prior to the scheduled departure of the first sector in your itinerary. Itinerary changes may result in a fare difference and an additional payment may be required. Please visit the Virgin Australia website for more information.

. Further information regarding flight delays and cancellations, are contained in the Virgin Australia Guest Compensation Policy, Guest Charter (Customer Service Plan) and Consumer Guarantees and Refunds – Understanding Your Rights. Virgin Australia may charge reasonable fees in relation to any refunds, ticket re-issuance and other circumstances as set out in our Fare Rules and Conditions of Carriage, except where you are entitled to a refund under the Australia Consumer Law.

Important Legal Notices

ABN 36 090 670 965

E-Ticket, Itinerary, Receipts and Tax Invoice

Guest Information

TICKET NUMBER	7952127798512
GUEST NAME	LEYLAND/LEONARD JONATHAN MR
NAME REF	ADT
ISSUE DATE	07 OCT 2026
ISSUING AIRLINE	VIRGIN AUSTRALIA
ISSUING AGENT	VIRGIN AUSTRALIA ITINERARY/SDX

Reservation Number

NKOCNK

Itinerary Details

FLIGHT	DEPART	ARRIVE	CABIN CLASS / SEAT	INCLUDED BAGGAGE	TICKET INFO
VA 236 Ok to fly **Operated by:** VIRGIN AUST INTL FOR VIRGIN AUST	**ADELAIDE, AUSTRALIA (ADL)** MAIN TERMINAL **27/Oct/2026** 5:50pm	**MELBOURNE, AUSTRALIA (MEL)** TERMINAL 3 **27/Oct/2026** 7:40pm	**Economy / U 20C**	**1 piece**	**Fare Type:** Choice **Fare Basis:** UZCH0 **Not Valid Before:** 27 Oct **Not Valid After:** 27 Oct

This is not a boarding pass

VA 211 Ok to fly	**MELBOURNE, AUSTRALIA (MEL)** TERMINAL 3 **30/Oct/2026** 7:10am	**ADELAIDE, AUSTRALIA (ADL)** MAIN TERMINAL **30/Oct/2026** 8:00am	**Economy / U 24D**	**1 piece**	**Fare Type:** Choice **Fare Basis:** UZCH0 **Not Valid Before:** 30 Oct **Not Valid After:** 30 Oct

This is not a boarding pass

Flight	Economy	Premium~	Business
Domestic - All Virgin Australia flights within Australia	Lite, Choice, Flex	N/A	Business
International Short Haul - All flights, departing to/arriving from countries within South East Asia and the Pacific	Lite, Choice, Flex	N/A	Business
Velocity Reward Bookings^ - All reward flights on both Domestic, International and Partner Airlines	Reward Economy	Reward Premium	Reward Business

Velocity Reward bookings are fares available to Velocity Members for the purpose of redeeming Velocity Points. Refunds and itinerary changes for Reward Seat bookings are permitted at least 24 hours prior to the scheduled departure of the first sector in your itinerary. Itinerary changes may result in a fare difference and an additional payment may be required. Please visit the Virgin Australia website for more information.

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Important Legal Notices

27 OCT 2026 ▸ 30 OCT 2026 TRIP TO MELBOURNE, AUSTRALIA

PREPARED FOR
MR LEONARD JONATHAN LEYLAND
MR JAMIE THOMAS BROOKS

Virgin australia

ABN 36 090 670 965

RESERVATION CODE NKOCNK

DEPARTURE: **TUESDAY 27 OCT** Please verify flight times prior to departure

VIRGIN AUSTRALIA **VA 236**

Operated by:
VIRGIN AUST INTL FOR VIRGIN AUST

Duration:
1hr(s) 20min(s)

Fare Type:
Choice

Cabin:
Economy / U

Status:
Confirmed

ADL ADELAIDE, AUSTRALIA ▸ MEL MELBOURNE, AUSTRALIA		Aircraft: Boeing 737-8
Departing At: 5:50pm	Arriving At: 7:40pm	
Terminal: MAIN TERMINAL	Terminal: TERMINAL 3	

Passenger Name:	Seats:	eTicket Receipt(s):
» Mr Leonard Jonathan Leyland	20C	7952127798512
» Mr Jamie Thomas Brooks	20A	7952127798513

DEPARTURE: **FRIDAY 30 OCT** Please verify flight times prior to departure

VIRGIN AUSTRALIA **VA 211**

Duration:
1hr(s) 20min(s)

Fare Type:
Choice

Cabin:
Economy / U

Status:
Confirmed

MEL MELBOURNE, AUSTRALIA ▸ ADL ADELAIDE, AUSTRALIA		Aircraft: Boeing 737-800
Departing At: 7:10am	Arriving At: 8:00am	
Terminal: TERMINAL 3	Terminal: MAIN TERMINAL	

Passenger Name:	Seats:	eTicket Receipt(s):
» Mr Leonard Jonathan Leyland	24D	7952127798512
» Mr Jamie Thomas Brooks	24F	7952127798513



2

Accounts Payable
East Waste
1 Template Court
Ottoway
SA 5013

Invoice Number INV27-00045872
Invoice Date 13/10/2026
Quote Number SQ27-00053647
Service Lead Wendy Whittaker

Purchase Order Ref NETT CC
Customer Account ESWASA
Customer Contact Megan Bekesi
Email Address Megan@eastwaste.com
Accounts@eastwaste.com

Delivered To
East Waste
1 Template Court
Ottoway
SA 5013

Total Items Ordered and Shipped

Code	Description	Qty	Unit Price	Subtotal
MS-60RCG-ORGG	MULTISORT 60L GRY RECYCLE BASE & LID ORGANICS SLOT GREEN	1.00	85.86	85.86
MS-60RCG-10CW	MULTISORT 60L GRY RECYCLE BASE & LID 10C REFUNDABLE WHITE	2.00	85.86	171.72

Description	Subtotal
Freight	75.51

Product Subtotal	257.58
Freight Subtotal	75.51
GST Total	33.31
Total	**366.40**
Total Paid	**366.40**
Date Paid	**13/10/2026**

Leonard Leyland
Cleard Receipt

Thank you for ordering with our Australian family business.

Our warehouse team has packed your items as carefully as possible, however we do ask that you please ensure the order has arrived complete and in good condition. We are unable to accept any claims for damage or incorrect items 7 days after goods are delivered.

Whilst we often use packaging for protection during transportation, we do work to ensure our solutions are as sustainable as possible. We use Australian Certified Compost-A-Pak® Satchels, where possible Up-cyclable Cartons and we have a Single Use Plastic Free Pallet option. We do ask that you please recycle all packaging, preferably into our fabulous bins, and also recycle our products at end of life. If recycling facilities are not available in your area, we will accept returns for all our products at end of life and ensure they are recycled. You can learn more about our Circular Economy Program at www.sourceseparationsystems.com.au

SOURCE
SEPARATION
SYSTEMS

innovative waste diversion products, designed to
connect Australians to a more sustainable future

East Waste Policy Register as at 2 November 2026

Policy	Key Function	Date Adopted	Review Date	Responsible Officer	Available on Web	Comments
Budget Framework Policy	Finance	Feb-23	Feb-25	Manager HR & Financial Services	Yes	Defered until the review of East Waste's financial model has been undertaken. To be presented to November Board Meeting.
Business Information and Records	Governance	Jan-22	Jul-22	General Manager	No	To be finalised by June 2027
Compliant Handling Policy	Customer Service	Sep-26	Sep-30	Acting Manager Business Service	Yes	
Credit Card Policy	Finance	Sep-24	Sep-27	Acting Manager Business Service	Yes	
Diversity & Inclusion Policy	Human Resources	Jun-25	Jun-29	Acting Manager Business Service	Yes	
Fraud and Corruption Prevention Policy	Governance	Apr-26	Apr-30	General Manager	No	
Light Fleet Vehicle Policy	Finance	Draft	Draft	General Manager	No	With ELT for consideration and comment
Member Council Rebate & Distribution Policy	Finance	Apr-23	May-26	Acting Manager Business Service	No	Defered until the review of East Waste's financial model has been undertaken. To be presented to November Board Meeting.
National Competition Policy Statement	Governance	Feb-24	Feb-27	General Manager	Yes	
Policy Development Policy	Governance	Nov-24	Nov-27	Manager Business Services	Yes	
Procurement Policy	Finance	Jun-25	May-28	Acting Manager Business Service	Yes	
Protection of the Environment Policy	Risk Management	Sep-26	Sep-30	General Manager	Yes	
Prudential Management Policy	Finance	May-25	May-28	Acting Manager Business Service	Yes	
Public Interest Disclosure Procedure	Governance	Apr-26	Apr-30	General Manager	Yes	
Risk Management Policy	Risk Management	Feb-24	Feb-27	Manager Business Services	Yes	
Sale & Disposal of Assets	Finance	May-25	May-28	Acting Manager Business Service	Yes	
Social Media Policy		Jul-05				With ELT for consideration and comment
Treasury Management Policy	Finance	Apr-23	Apr-26	Acting Manager Business Service	Yes	Defered until the review of East Waste's financial model has been undertaken. To be presented to November Board Meeting.
Director/Chair Remuneration Policy	Governance			General Manager	No	Required by Charter. To be drafted by Feb 27.

Terms of Reference	Key Function	Date Adopted	Review Date
Audit & Risk Committee Terms of Reference		Sep-26	Sep-30
General Manager Performance Review Committee Terms of Reference		Sep-25	Nov-28
Independent Chairperson Appointment Committee Terms of Reference		Sep-19	As required
General Manager Selection and Recruitment Committee Terms of Reference		Oct-24	Mar-27

Codes	Key Function	Date Adopted	Review Date	Responsible Officer	Available on Web	Comments
Code of Conduct - Board of Management	Governance	Jun-26	Apr-30	General Manager	Yes	
Code of Conduct - Independent Members of Board Committees	Governance	Sep-26	Sep-30	General Manager	Yes	To be be presented to November Board Meeting.
Code of Practice - Procedures at Meetings	Governance	Sep-24	Sep-27	General Manager	Yes	Must be reviewed withn six months of LG election
Code of Practice - Access to Meetings and Documents	Governance					Required by Charter. To be drafted by Feb 27.

Charter	Key Function	Date Adopted	Review Date	Responsible Officer	Available on Web	Comments
East Waste Charter	Governance	Jun-22	Jun-26	General Manager	Yes	Under Review. To be presented to November Board Meeting.

Key

	To be presented to next Board meeting
	Due for review within the next six months
	Proposed policy under development
	Overdue or non-existent

Audit and Risk Management Committee Resolutions Register as at 2 November 2026				
22/04/2026	9.1	Internal Audit Result: Business Continuity	Requests that UHY Haines Norton amend the Internal Audit Result: Business Continuity Report in accordance with the feedback provided by the Committee and present the amended report to the June 2026 meeting of the Audit & Risk Management Committee	**ONGOING:** The manangement reponses have been updated as requested by the Committee.
22/04/2026	9.4	General Managers Update	That the Administration present a report to the Committee and East Waste Board to seek endorsement of a working capital cash holding requirement and explore how the working capital requirement can be used in the future to inform the budget framework and the Long-Term Financial Plan.	**ONGOING:** Legal advice regarding working capital requirements will be presented to the Committee meeting of 16 September 2026.
13/08/2026	5.3	Review of the Complaint Handling Policy	1. requests that Administration consider the feedback on the revised draft Complaint Handling Policy for consideration prior to presentation to the East Waste Board.	**COMPLETED :** The draft revised Complaint Handling Policy was adopted by the East Waste Board at the Ordinary Board meeting held on 24 September 2026.
13/08/2026	5.4	Draft Accountability Policy	1. The Committee provides the following feedback: a. consideration be given to classifying the draft Accountability Policy as an Administrative Policy. b. That the word 'annual' be removed from clause 5.1 of the proposed Accountability Policy 2. Recommends that the East Waste Board adopt the proposed Accountability Policy.	**ONGOING:** The Draft Accountability Policy will be presented to the East Waste Board for their consideration and comment at the Ordinary Board meeting to be held on 24 September 2026. The Board were not in favour of the concept of an Accountability Policy and have request that a statement of principle with regard to the matter of compensation be developed for their future consideration.
13/08/2026	5.5	Matters Referred to the Committee by the East Waste Board	The Committee: 2.receives the Eastern Waste Management Authority Board Code of Conduct (Attachment A, Item 5.5, Special Audit & Risk Management Committee Meeting 13 August 2026) and requests that the East Waste Board considers a bespoke Code of Conduct for the Members of the Audit & Risk Management Committee. 3.recommends to the East Waste Board that the General Manager's Financial Delegations be as follows: a)Purchasing Limit - $500,000 b)Electronic Funds Transfer Limit - $3,000,000 c)Credit Card Limit- $5,000.	**ONGOING**: A bespoke Code of Conduct for Independent Members of East Waste Board Committees will be presented to the East Waste Board at the November 2026 Board meeting. **COMPLETED :** The proposed revised Financial Delegations for the General Manager were approved by the East Waste Boardat the Ordinary Board meeting held on 24 September 2026.

13/08/2026 16/09/2026	6.1 9.8	Review of the A&RM Committee Terms of Reference	The Committee requests that Administration consider the feedback of Committee on the proposed draft amendments to the Audit and Risk Management Committee Terms of Reference as shown in Attachment A, Item 6.1, Special Audit & Risk Management Committee Meeting, 13 August 2026 and present an updated version of the amended draft Audit and Risk Management Committee Terms of Reference at the next ordinary meeting of the Audit & Risk Management Committee.	COMPLETED: The East Waste Board adopted the revised Committee Terms of Reference at its meeting of 24 September 2026.
13/08/2026	6.2	Draft Public Consultation Policy	The Audit & Risk Management Committee having considered the Draft Public Consultation Policy, (*Item 6.3, Attachment A, Special Audit & Risk Management Committee Meeting 13 August 2026*) recommends to the East Waste Board that further work on the Public Consultation Policy be paused until the East Waste Charter has been fully reviewed and clarity is provided as to the purpose of the Public Consultation Policy	**ONGOING:** NWL have recommeded deleting the sub clause from the East Waste Charter that requires a Public Consultation Policy to be in place. The Consituent Councils will determine the matter when they review consider the revised draft Charter.
13/08/2026	6.3	Draft Protection of the Environment Policy	The Committee: 1.endorses the draft Protection of the Environment Policy, subject to the following amendments: a)amending section 4.2 to explicitly include facility, plant, and equipment maintenance to address point-source pollution management under EPA responsibilities (e.g., wash bays). b)expanding the scope statement to cover activities undertaken on behalf of both Constituent and Non-constituent Councils to remain aligned with the full capabilities allowed under the East Waste Charter. 2.recommends the draft Protection of the Environment Policy to the East Waste Board for adoption. 3.requests that Administration ensure relevant supporting procedures, reporting mechanisms, and implementation responsibilities are aligned with the Protection of the Environment Policy.	**COMPLETED:** The Draft Protection of the Environment Policy was adopted by the East Waste Board at the Ordinary Board meetingheld on 24 September 2026.
16/09/2026	9.1	General Manager's Update	That the Audit & Risk Management Committee: 2.recommends that Administration provide a report to each meeting of the East Waste Board advising how the cost of fuel is tracking against the budget. 3.recommends that Administration develop an Acceptable Use of Artificial Intelligence Policy to guide East Waste employees.	**COMPLETED:** Actions incorperated and policy prepared for presentation to A&R
16/09/2026	9.4	Review of Fleet Asset Management Plan & Strategy 2027-2036	That the Audit & Risk Management Committee recommend to the East Waste Board that the revised East Waste Fleet Asset Management Plan & Strategy 2027-2036, as presented in Attachment A (Item 9.4, Audit & Risk Management Committee Meeting, 16 September 2026), be adopted subject to amendments as recommended by the Committee.	**COMPLETED**

16/09/2026	10.1	Confidential – Interpretation of Charter – Working Capital	The Audit & Risk Management Committee receives the draft legal advice contained within Attachment A, Item 10.1 Interpretation of Charter - Working Capital, Audit & Risk Management Committee Meeting, 16 September 2026 and requests further clarification on the matter.	**Legal guidance was obtained and clarified**

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

	Feb	Apr/May	Jun	Sep	Nov
Audit & Risk Management Committee Meeting	Feb 18	Apr 22	Jun 10	Sep 16	Nov 11
Board Meeting	Feb 26	Apr 30	Jun 25	Sep 24	Nov 26

✓	Item previously presented/endorsed
✓	Item included in current meeting Agenda
•	Item deferred to a future meeting
	Item not presented this calendar year

Meeting		Financial						Notes
B	A&R	Budget Review 2	✓					
B		Set fees - Independent members, viewing Interest Register	✓					
B	A&R	Draft Annual Plan & Budget Assumptions	✓					
	A&R	Review of Proposed External Audit Work Plan		✓				Included within presentation of Interim External Audit Report (brought forward)
	A&R	Review of Porposed Internal Audit Work Plan		✓				First annual review.
B	A&R	Budget Review 3		✓				
B	A&R	Interim External Audit Report			✓			Brought forward to align timing to Galpins and East Waste availability.
B	A&R	Annual Plan and Budget Endorsement			✓			
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					•	Deferred until further consideration of Budget Review One position is complete.
B	A&R	Treasury Management Performance Report					✓	
B	A&R	Customer Service Metrix Report					✓	
		Governance						
B		Board & Committee Appointments	✓					Board Director appointed to Audit & Risk Management Committee via Circular Resolution.
B		General Manager Performance Review	✓					General Manager probationary outcome undertaken February Board meeting cylces.
B		Annual Education Summary Report			✓			to Board only.
B		Lodgment of RPD, Primary, and Ordinary Returns				✓		
B	A&R	Policy Review Schedule					✓	Presented within the Information Report.
B	A&R	Board and Audit & Risk Management Committee Performance Evaluations					✓	
B	A&R	Proposed Meeting Schedule for Proceeding Year					✓	
B		Review of Confidential Orders			✓			to Board only.
		Risk						
B	A&R	Strategic Risk Register Review	✓					

2026/2027 Annual Plan Deliverables

NO.	ACTIVITY/PROJECT	OVERVIEW	OBJECTIVE	STRATEGY	MAIN KPI/TARGET	Status Update
DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES						
1.	Continue & Expand Core services	East Waste optimisation will come from working closely with Constituent Councils to ensure the existing suite of services are understood and utilised, where desired, to the maximum benefit of the Constituent Council.	Deliver cost effective and efficient services and facilities	1.1	Vision Target	Optimisation and improvement programs active.
2.	Investigate opportunities outside of existing Constituent Councils	When potential opportunities arise, East Waste will investigate service provision to non-Constituent Councils and subsidiaries where the benefit and/or the fostering of partnerships can drive value to Constituent Councils. Funding is allocated to support creation of a standardised tender	Deliver cost effective and efficient services and facilities	1.1	Vision Target	Standard tender approach developed in last financial year, will be further developed and used in considering opportunities.

		approach to be utilised for service offerings.				
3.	Review Strategic Plan	Build upon Constituent Council engagement and Service Level Agreements to review the East Waste Strategic Plan for alignment with Constituent Council ambitions and East Waste delivery targets.	Overarching strategy		Vision Target	SLA implementation has been followed with creation of Council Specific Guidelines to provide customer service and driver specific guidance. All SLA signed 4/8 One Page specific Guides returned.
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	Project is underway, currently at Phase 2 which has identified sub projects for pursuit and action with designated project owners.
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	Council facing Power BI active, fine tuning progresses. Additional reporting metrics to be explored.
6.	Workforce review	Review workforce to consider adding any new role(s) that may bring an overall benefit to Constituent Councils through	Deliver cost effective and efficient	1.5	Vision Target	Complete, restructure underway for ELT.

		improved East Waste performance.	services and facilities			

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 Constituent Councils to increase the trials/rollouts.	Maximise source separation and recycling	2.1	Demonstrable improvement in diversion rates Support an effective and informative trial	Planned FOGO trials continue as intended with Burnside undertaking the most recent trial increase.

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 Constituent Council objectives and improves resident behaviour with regard to waste diversion. Explore delivery methodologies and engagement approaches to capitalise on technology innovations and develop metrics to demonstrate penetration success.	Provide leading and innovative behaviour change and education	3.2	Vision Target	Education workshop was conducted in October with representatives from each Constituent Council invited. Education tender finalised and awarded, KESAB were selected.
9.	Continue to develop and share Carbon Reporting	Utilise carbon reporting to support Constituent Council environmental targets and factor into asset and/or operational change considerations.	Provide leading and innovative behaviour change and education	3.1	Vision Target	To be progressed.

HELP DRIVE A LOCAL CIRCULAR ECONOMY						
10.	Develop and procure high value processing contracts	East Waste on behalf of engaged Constituent 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	Four contracts have been awarded, Compostable bags, Tyres, Recycling and Education. In latter half of FY27 mattresses, hard waste and parts supply will be explored.

PROVIDE LEADERSHIP						
11.	Cost Model Review	Work with Constituent Councils and the East Waste Board to complete review of the existing Cost Model with beneficial changes to be put to the Board for approval and implementation timing consideration.	Provide leadership	5.4	Vision Target	Finalised documents to be presented at November Audit and Risk for endorsement.
12.	Fleet Replacement	In line with the Long-Term Financial Plan, undertake the replacement of six (6) collection vehicles.	Provide leadership	5.4	Vision Target	Six new Volvo trucks have been collected, six end of life trucks will be disposed of through

						auction in line with the Fleet Asset Management Plan. As at 06 Nov 2026 two trucks of the six have been sold.

East Waste Contract Register as at 06 November 2026

CONTRACT NAME	CONTRACT DESCRIPTION	INITIAL CONTRACT EXPIRY
Waste Education Services	Delivery of Why Waste It program to schools	Sep-29
External Audit Services	Provide external audit services in accordance with legislative requirements	Mar-27
Internal Audit Service	Provision of internal audit services	Jul-27
External Governance Support	Provision of Executive Administration and Governance Services (Board and Audit & Risk Committee agendas, minutes, governance advice and related support services)	Aug-27
Supply of Collection Vehicles	Supply of collection vehicles over three years	Jan-28
	– Agreement for supply of cab chassis and compactors (Superior Pak PL)	
	– Contract maintenance	
Landfill Contract	Receipt and processing of three Consituent Council's red/blue bin material	Jan-28
IT Support and Maintenance Agreement	IT managed services support and licencing	Feb-28
Supply of compostable bags	Supply of compostable bin liners and dog waste bags to member councils	Jun-29
Supply of mobile garbage bins	Supply of mobile garbage bins and related components including delivery and repairs	Jul-29
Tyres	Supply and fitment of tyres to East Waste fleet of collection vehicles, including maintenance	Sep-29
Bulk Fuel Supply	Supply of bulk fuel and associated equipment including tank and bowsers	Jul-30
Receipt and Processing of Organics Material	Receipt and processing of Constituent Councis green bin material	Dec-30
Receipt and Processing of Recyclable Material	Receipt and processing of Constituent Councils yellow bin material	Oct-31

EAST WASTE CONTRACT REGISTER AT 5 JUNE 2026
2026

CONTRACT EXPIRY WITH EXTENSIONS	SUPPLIER
Sep-31	KESAB
	Galpins
	UHY
Aug-27	Clearly Strategic
Jan-30	Superior Pak
Dec-33	Cleanaway
Feb-28	New Era
Jun-31	BioBag World Australia
Jul-31	Mastec
Sep-31	Bridgestone Australia Limited
	Liberty Fuels
Dec-40	Peats Soil & Garden Supplies
Dec-35	SRWRA & Re.Cycle Pty Ltd