

LOCAL GOVERNMENT BOARD

Review of Dulverton Regional Waste Management Authority

Submission Paper

January 2007

Glossary

'Authorities'	Single and Joint Authorities in Tasmania
'Board of Management'	Board of Management including the CEO
'Dulverton Authority'	Dulverton Regional Waste Management Authority
'DWM'	Trading name for Dulverton Authority
'LGO'	Local Government Office
'LGB'	Local Government Board as appointed under the Act
'member Councils'	A Council that establishes or is part of a group of Councils that establishes a single or joint Authority
'PCRs'	Participating Council Representatives: Representatives from member Councils
'the Rules'	Dulverton Regional Waste Management Authority Rules
'The Act'	Local Government Act 1993

Chapter 1 Introduction

The Local Government Board (LGB) has commenced a review of single and joint Authorities (Authorities) in accordance with paragraph 1(b) of section 214I of the *Local Government Act 1993* (the Act). The LGB is responsible for providing advice to the Minister on the performance of Councils and Authorities in Tasmania. The review will enable the LGB to provide an appropriate level of advice to the Minister through the publication of a report with recommendations.

The LGB concluded its first cycle of Council general reviews in 2007. The LGB initiated its first round of single and joint Authorities reviews in 24 August 2007 with the waste management Authorities:

1. Copping Refuse Disposal Site Joint Authority; and
2. Dulverton Waste Management Authority (Dulverton Authority).

Dulverton Authority provided a submission to the LGB in September 2007 as part of the LGB review. This paper sets out information from that submission together with additional information provided by the Authority in response to questions posed by the LGB during a hearing with the Authority on 2 November 2007 at Latrobe Council Chambers. The structure of this paper follows the structure of the guidelines for the review.

The LGB invites submissions from interested persons on any matter referred to in this document. Copies of the review guidelines and copies of this paper are available on the LGB website at: <http://www.dpac.tas.gov.au/divisions/lgo/information/board/index.html> or from the Local Government Office as indicated below.

The LGB will consider all submissions received in the course of public consultation. All care will be taken to give proper weight to evidence received in the course of a review both by submission and during hearings. The LGB also has regard to the necessity for commercially sensitive or legally privileged information to remain confidential. Confidential information should be marked as such in the submission.

It is preferred that submissions are lodged as electronic documents by e-mail to: lgboard@dpac.tas.gov.au. Alternatively, submissions in hard copy may be sent to:

The Chairperson
Local Government Board
GPO Box 123
Hobart, TAS 7001

Submissions must be received by 5pm on 12 February 2008.

Chapter 2 Review Process

Whilst the LGB has extensive powers to conduct a review, it has a recommendatory role in relation to Local Government reform. The Act provides that the LGB's written report to the Minister may contain recommendations on:

- the structure of an Authority and compliance with the Rules of an Authority,
- the relationship between the Authority and the participating Council(s),
- the management and operations of the Authority; or
- any other relevant matter.

The LGB has determined that the primary focus of the reviews will be on the relationship between the Authority and the Member Councils (the owner/shareholder Councils). It is through robust processes for good governance that Councils will ensure that Authorities:

- Remain accountable;
- Perform in accordance with set functions and objectives; and
- Ensure that public money is spent effectively.

The LGB may carry out a review in any manner it considers appropriate but the Act requires that it provide 'reasonable opportunity' for public consultation and the relevant Authorities and Councils to make any submissions.

Following the conclusion of the consultation process, the LGB will submit a written report on Dulverton Authority to the Minister. The Authority will be given the opportunity to comment on the Report before it is sent to the Minister. The Act requires that the Minister provide the Preliminary Report, on a confidential basis, to the Authority concerned and to the relevant Member Councils, inviting submissions on any matter in the report.

The Minister may accept, reject or ask the LGB to review its recommendations following any requests from the relevant Authorities or Councils. The Report is published once the Minister has approved it.

Chapter 3 Report Overview

This Chapter will appear in the final report and will provide an overview of the LGB's findings in the Review into Dulverton Authority.

Chapter 4 Recommendations to the Minister

This Chapter will appear in the final report and will set out a list of the recommendations made in the Report by the LGB to the Minister.

Chapter 5 Background

The following Chapter sets out the information provided to the LGB by Dulverton Authority as background to the establishment of the Authority and an overview of current developments in regard to the operation of the Authority.

5.1. History.

Dulverton Authority Submission

Dulverton Regional Waste Management Authority, now trading as Dulverton Waste Management (DWM) was established for the management and disposal of wastes generated predominantly in the Mersey – Leven Valley. The Authority was formed through a cooperative agreement between Central Coast, Devonport, Kentish and Latrobe Councils.

Suitable land was purchased and a Greenfield site was established in a disused clay quarry at Dulverton, near the Railton Siding. Operations began in 1995.

The Authority operates as a Joint Authority under s30-39 of the Local Government Act of the Central Coast, Devonport, Kentish and Latrobe Councils for the management and disposal of waste and is governed by the Rules adopted on 15th August 2005.

The membership of the Authority consists of two Representatives from each participating council. These Representatives are responsible for the appointment of up to seven directors, including one chair person. At present there are three Board members including one chair person.

The Rules define the core business of the Authority as:

- Management of waste generated within the Mersey-Leven Region.
- Management of waste solid inert material, putrescible waste, fill material and low level contaminated soil as defined or explained in the Landfill Sustainability Guide .
- Activities identified in the Strategic Plan as approved by the Representatives.

Dulverton Authority Hearing

LGB: What was the respective apportionment of funding from member Councils?

The Chairman of the PCRs advised that as at 17/4/07, the date on which when the loan was converted to equity, the outstanding loan was as set out in the table below:

Council	Amount (\$)	Percentage of Total
Devonport City	435 563	43.45
Central Coast	385 201	36.82
Latrobe	117 694	11.25
Kentish	88 715	8.48

LGB: On what basis were the initial funds contributed to set up the Authority? Was repayment of loans anticipated?

Initial funds were provided on a per capita basis and reflected the likely level of usage. Repayment was not anticipated as the outlook was that Dulverton Authority would need continuing support. Fortunately however there has not been a need for a further injection of funding to date nor is it anticipated.

5.2. Current Developments.

Dulverton Authority Submission

Current developments have consisted of the following:

In August 2005, new Rules were adopted with a Board of Management who took up their appointments in January 2006 and the CEO took up his appointment in July 2006. The previous management structure consisted of management (which was contracted to a Participating Council) reporting to a Board of Participating Council Representative.

- A Strategic Plan was developed and accepted in July 2007, the first plan developed by the new Board of Management and CEO.
- Business, safety and environmental management systems have been developed and are being implemented to improve transparency and legislative compliance.
- Participating Councils' equity has improved from -\$1.5M to around \$4M. This has been a result of asset and liability revaluations and restructuring Councils' ownership from a loan to equity.
- Provision for closure liabilities has been implemented.
- Landfill operations are now considered to be efficient and are now environmentally compliant.
- Through acquisition of additional land the landfill has a life of greater than 50 years.
- The Authority is preparing for ISO 14001 Environmental Management System certification.

Chapter 6 Relationship between the Authority and the participating Council(s)

A basic principle of the Act is that Councils are accountable to the community. Authorities are bodies created by Councils either singly or jointly to perform functions or exercise powers that would otherwise have been performed or exercised by the Council. Councils retain responsibilities for the strategic direction of the authorities, monitoring the activities of the Authority through the reporting and consultation arrangements and retain the power to wind-up authorities if necessary.

Good reporting and oversight arrangement should ensure that Member Councils are made aware of areas of concern in management and operations.

Please address each of the following items:

6.1. The current role undertaken by PCR's.

Dulverton Authority Submission

The role undertaken by the PCRs are:

- Appointment of Board of Management and Chairman.
- Monitoring of the Board of Management.
- Conduit of information between the Participating Council and Board of Management.
- Approval of Annual Plan, Strategic Plan and Budget.
- In conjunction with Board of Management and Participating Councils give strategic direction to the Authority

6.2. The background and relevant experience of the current PCR's.

Dulverton Authority Submission

Two PCR's appointed by each Participating Council with the current composition being as follows:

- Devonport City Council Alderman and General Manager
- Latrobe Council Councillor and General Manager
- Central Coast Council Councillor and Director of Development Service
- Kentish Council 2 x Councillors

In all cases the current PCR's are senior council officers or long serving elected member

The Board of Management is designed to manage the Authority while PCR's specifically do not have a role in day-to-day operations; their most important role is the supervision of the Board of Management.

It should be noted that the previous structure was a single board with technical and financial expertise supplied by PCR's, this was not successful and therefore the move to a PCR's committee and a skilled based Board.

Dulverton Authority Hearing

LGB: What are the advantages of the new structure?

Although up to 7 directors are possible under the rules, the three directors selected together brought the required set of accountancy, engineering and scientific skills. The directors play a role in mentoring and supporting the CEO.

The PCR's key role is to represent the interests of the shareholders and review the activities and behaviour of the technical board, without necessarily needing the skills to manage Dulverton.

The Board is a strategic decision making body and plays an advisory role. It is involved in the day-to-day management of the organisation.

The Board of the day initiated the review. Member Councils would have had to sign off on the changes. Consultation must have occurred.

LGB: What are the advantages of including PCR's who are not elected members?

This element of the structure may be a hangover from the previous board structure. However the inclusion of General Managers and senior staff was intended to ensure continuity, and provide technical expertise such as financial and managerial expertise that elected members may not have and provide a rounded view.

6.3. Arrangements for reporting by the Board of Management to the PCR's and/or Member Councils, including regularity of provision of reports and of information provided in annual and quarterly reports.

Dulverton Authority Submission

The Board of Management comprise three Directors with the experience detailed below: [See Chapter 16]

The following mechanisms are used for the Board of Management to the PCR's:

Annual Operational Reports, Annual Budget and Annual Financial Statements are provided as required by Section 36 of the Act and the Rules.

Strategic Plan which is to be reviewed every 3 to 5 years as required by the Rules.

The Strategic Plan is to include:

- The objectives of DWM's activities
- The identification and objectives of any community service activities
- The pricing policy for services supplied by DWM
- Broad policy statements in regards to environmental compliance with sustainability principles and any obligations in regards to national competition policy agreements.
- Key financial parameters and performance indicators
- Financial and service performance targets
- Dividend expectations

A meeting schedule is determined at the beginning of the calendar year for the PCR's.

Since appointment of the Board in December 2006 the PCR's have conducted eight meetings including an Annual General Meeting.

DWM's CEO is invited to the monthly Cradle Coast General Manager's Meeting.

Dulverton Authority Hearing

LGB: How does the Authority deal with the statutory requirement for Quarterly Reports?

The Board of Management is reporting monthly not quarterly. This information is supplied to the PCR's and Member Councils. The Chairman of the Board of Management provides a formal report, financial and budget report and takes questions.

LGB: Does all this monthly report go to Councils?

Information is presented verbally at Councils Meetings. Minutes are also provided

LGB: Which of the Annual Operational Reports, Annual Budget and Annual Financial Statements and Strategic Plan go to the Member Councils?

Presently: none.

6.4. Arrangements for reporting by the PCR's to the Member Councils.

Dulverton Authority Submission

PCRs have a mixture of reporting arrangements including:

- Verbal briefing at council meetings
- Tabling of minutes as agenda items at council meetings (examples attached)
- Council workshops to discuss specific issues. An example would be the workshopping of the equity restructure by most councils.
- Direct discussions between Board of Management/CEO and council staff as required.

Dulverton Authority Hearing

LGB: Are the minutes and reports – Quarterly and Annual – being tabled on the Public Agenda of Councils?

The approach varies between the member Councils:

- Latrobe Council - There is not a formal process, minutes are available for study before the meeting.
- Devonport City Council - No public availability, as the information is in the confidential minutes.
- Kentish Council– The receipt of the documentation is minuted, but there is no tabling of the actual document. They are listed as items of general interest.

LGB: Is there a motion passed when the documentation is tabled?

It is moved and seconded that Council accepts the documentation. No motion is passed at Kentish Council.

LGB: Can the Board have copies of the Agendas for the Council meeting at which the 05/06 Annual Report was tabled and the two quarterly reports preceding that meeting?

LGB to pursue with member Councils.

LGB: How was the conversion of loan to equity first identified and reported to Councils?

The proposal was discussed with the Chair of the PCRS then with the General Manager and Member Councils and received formal approval from each Council.

LGB: Was this identified as a liability to the Councils? Was it agreed as the best way for the evolution of the Authority?

The conversion to equity provided Councils with shares in the Authority in return for the money given. This was viewed as an advantage to the Authority as it was an opportunity to sort out its financial status. It gave the Authority the capacity to borrow money in its own right which it was not able to do before this time.

It was of concern to the Auditor-General that Dulverton had negative equity as a result of changes to the accounting rules. Accountants suggested there was a need for accurate figure on rehabilitation provisions. The Authority is basically selling space in which to put rubbish, the accountants looked at the revenue stream and at accounting value and suggested conversion to equity. This would allow Councils to receive their investment back in the long term and in the short term to receive dividends.

Different equity share is a possible issue to be looked at.

LGB: Was the Equity Share apportioned to the member Councils according to the original shares in the loan or was it apportioned equally?

The equity share was apportioned according to the original shares in the loan (which was originally determined on a per capita basis).

LGB: Did Kentish Council accept the status quo in terms of equity share when the equity conversion took place?

The Council did not raise any questions regarding this.

LGB: Could a conflict arise for the PCRs between representing the interests of Dulverton and own Council? Chair stated that while it was a difficult question, he felt he was there to represent Council as shareholder on the Dulverton Authority. Ultimately he is acting as a representative and anything really important goes back to Councils.

The Devonport representative saw his role as representing the Shareholder (Devonport) on Dulverton for example he would take account of the interests of the municipality in raising fees – but he would also look at the bigger picture such as regional benefit.

LGB: Can the PCRs imagine any issues that they would be reluctant to take back to Council?

The PCRs advised the board in confidence of some past employees/contractors issues that had arisen and that due to sensitivity had required some confidential handling, until the PCRs fully understood the issues and established that they were founded in fact. These could have been damaging and needed to be substantiated and teased out before taking to Councils.

Issues that have previously been reported from the PCRs to Councils included the purchase of Gunns' land and the conversion from debt to equity.

LGB: Do the PCRs receive Board of Management Minutes?

The Chairman of the PCRs advised that he receives the Board of Management minutes. They do not go on to the Council agendas.

The statement of general performance relates to strategies. A comprehensive summary of the strategic plan was published in the annual report for 2007/2008 and this went to the PCRs. A copy can be provided. This was received at last meeting of the PCRs. The skills-based board has only been in place for a relatively limited time.

6.5. The process within Member Councils for review of material submitted to it by the PCR's or the Board of Management.

Dulverton Authority Submission

Material is reviewed by council officers and/or elected members at meetings and workshops, depending on requirements.

For non-routine issues Participating Councils will be contacted by DWM to allow a direct briefing at decision making level. [Refer to 6.3]

6.6. Degree of feedback provided by the Council in response to reporting.

Dulverton Authority Submission

Dulverton Authority Submission

The feedback to the Board of Management from Member Councils is typically by:

Reporting to the Board of Management on routine matters occurs through the Representatives at their meetings.

Dulverton Authority Hearing

LGB: Is this communication/reporting directly from Councils or is it comment deriving from the PCRS only?

The PCRS will provide comment on routine matters but if there is any issue of importance there will be a discussion at member Councils relayed through PCR or by formal communication.

Dulverton Authority Submission

For items which are specifically requested by the Board of Management to be tabled at a Participating Council Meeting, the General Manager from that Council provides a written response.

Some Councils have undertaken site visits/presentations with their elected members and staff to gain a greater understanding of DWM's operations.

6.7. Processes for reporting and monitoring by the PCR's including how the Authority is meeting its stated objectives and functions, charters, plans and strategies and assessing performance against these.

Dulverton Authority Submission

Progresses for reporting by the PCRs are undertaken through the following processes:

Quarterly minuted meetings between PCRs, Board of Management and CEO. These meetings include a chairman's report which overviews DWM's performance and financial statements to allow discussion of overall performance.

A copy of the draft minutes is supplied to the Chief Representative within 10 days of the monthly meeting of the Board of Management for review and approval.

Setting and reviewing Director performance indicators annually

Rules require an external review of Director performance at least once every 3 years

Strategic plan

Annual reports

Dulverton Authority Hearing

LGB: Should Quarterly Report appear here?

The Emphasis is more on monthly and annual reports

6.8. Any additional reporting processes in place.

Dulverton Authority Submission

Additional requirements not discussed above are:

Annual environmental reporting to Department of Tourism, Arts and Environment and required by DWM's Environmental Protection Notice.

Dulverton Authority Hearing

LGB: Are the additional reporting measures referred to above noted in the Quarterly/Annual reports?

Yes, see the Authority annual report for 06/07 (page 4). They are also discussed at PCRs meetings as required.

6.9. Processes for complying with the strategies, budgets and plans agreed by the PCR's.

Dulverton Authority Submission

The following processes ensure compliance with the Strategic Plan and Annual Plan:
Monthly Board Meetings are held where the financial, operational, OH&S reports are tabled. These minutes are provided to PCRs.
Audit and Risk Sub-Committee which meets quarterly and reports to the Board.
Annual review of Directors performance by the PCRs.
Board of management provide regular updates for discussion at Representative Meetings.

Dulverton Authority Hearing

LGB: How does the reporting occur on performance against the strategic plan?

The strategic plan drives the annual plan which in turn drives the monthly report. Key Performance Indicators (KPIs) are regularly reported against.

6.10. Level of attendance by the PCR's at the Authority's annual general meeting.

Dulverton Authority Submission

The Rules require a quorum of half the number of PCRs that may be appointed, which means a minimum of four PCRs are required.
There has only been two AGM's since adopting the new structure. Both AGMs were attended by 6 of the 8 PCRs.
Of the 8 regular meetings undertaken since appointment of the Board, four meetings have had 6 PCRs, two meeting have had 7 PCRs and two meeting has had 8 PCRs.

6.11. Whether annual and quarterly reports are formally tabled through Council meeting agendas for the information of the public (excluding commercial-in confidence information).

Dulverton Authority Submission

All Participating Councils formally table Strategic and Annual Reports through open Council meeting agendas. Other reports that contain commercial in confidence information as advised by the Board of Management are tabled through a closed meeting.

Dulverton Authority Hearing

LGB: Is the report from the CEO, disclosing commercial in confidence, going to PCRS? How do the PCRs ensure that they are across commercial-in-confidence information?

Information is provided to the PCRS; how it compares to the information seen by the Board of management is another matter. If the Board of Management wished to conceal financial information it would be possible. The PCRs do not have forensic accountant. But would move to dismiss board immediately if any indication of the case. These are noted in motions.

6.12. Policies, codes of practice and processes in place to ensure transparency, accountability, openness and responsiveness to the participating Councils.

Dulverton Authority Submission

Detailed financial records are regularly presented to the PCRs at PCR meetings to show transparency. The Strategic Plan (DWM, 2007) identifies that processes are required to improve transparency and accountability.

The proposed actions from the Strategic Plan (DWM, 2007) relating to governance are:

- Identification risks and development of business safety and environmental management systems.
- Possible ISO certification of safety and environmental management systems.
- Appropriate financial assurance is provided for Participating Councils particularly in relation to closure provisioning.
- Education of Participating Councils to build owner and community confidence.
- Developing and maintaining relationships with Participating Councils, State Government and industry groups to be responsive to the political realities of the Participating Councils.

Chapter 7 The Structure and Rules of an Authority

7.1. The functions and objectives set for the Authority, whether the Authority is currently fulfilling these and the strategies for doing so in the future.

Dulverton Authority Submission

The function of DWM as set out in the Rules is summarised as:

- 1) Principally is to manage waste.
- 2) The principal function also includes:
 - a) collecting, purchasing and otherwise acquiring waste (whether or not the waste is generated within the Mersey-Leven Region; and
 - b) storing (whether temporary or permanently), treating and disposing of waste; and
 - c) reconstituting, refurbishing, recycling, cleansing and otherwise treating waste and any product or by-product of waste or of any of those processes; and
 - d) trading or dealing in any product or by-product of any of the activities referred to in any of the preceding subclauses; and
 - e) anything in which any Participating Council may do under and Statute with respect to any function expressly set out in these Rules; and
 - f) anything which the DWM may in its own right do under any Statute with respect to any function expressly set out in the Rules; and
 - g) formulating, implementing and monitoring policies and programs for reducing, managing or recycling waste, whether for itself, its Participating Councils or any other council; and
 - h) undertaking within the Mersey-Leven Region any function, power, duty or requirement (however expressed) of any waste management policy or guideline (however named) issued in any way by any State or Federal body with respect to waste reduction, management or recycling.
- 3) DWM may formulate, implement and monitor policies and programs for the development and use of land owned by it for purposes compatible with a licensed waste disposal land-fill, including for industrial uses of a heavy industrial or regional nature (whether or not the region so considered is limited to the Mersey-Leven Region).

4) DWM may do anything reasonably incidental to the performance of its functions including, as incidental activities, undertaking projects or activities for the purpose of raising revenue even if they are not directly authorised by its other functions.

5) Whether or not the DWM exercises a function a Participating Council may exercise that function itself or obtain the benefit of that from any other source.

The core activities of DWM are the management of waste which is:

- a) generated within the Mersey-Leven Region; and
- b) solid inert material, putrescible waste, fill material and low level contaminated soil (as all those terms are defined or explained in “Landfill Sustainability Guide 2004” published by the Environmental Division of Primary Industries Water & Environment in September 2004).

The vision for DWM as described in the Strategic Plan (DWM, 2007) is:

“An innovative organisation recognised as leaders in holistic waste management in Tasmania.”

Based on the above vision the mission of the Authority is:

“Dulverton Waste Management meets the communities’ current and future needs by providing safe and sustainable environmental waste management, minimisation and recycling services.”

General compliance with the functions of DWM as reported in PCR Meetings, Annual Reports and Strategic Reports.

Dulverton Authority Hearing

LGB: Could the PCRs clarify the last paragraph?

Yes, for example in relation to environmental licensing there are 60 conditions to be met. The CEO will advise of general compliance with these and if full compliance has not been achieved will then advise on the issues relating to non-compliance.

Reports are presented by the Board of Management. There is then a question period during which any variances or unusual matters are discussed or explained.

LGB: Should the objectives from the strategic plan have been included here? Are they being fulfilled?

The PCRs advised that objectives from the strategic plan have been met, even exceeded.

LGB: Have the goals been finalised?

Yes, these will be provided. Goals are subject to a continuing review process to allow for changing environment.

LGB: How are the Board and CEO reporting on progress?

Mainly at monthly reporting meetings where the Board of Management and the CEO are available for to provide explanation and clarification.

7.2. Codes of conduct or induction process notifying PCR's and/or relevant employees of their statutory responsibilities.

Dulverton Authority Submission

A code of conduct has not yet been developed but will be considered in this financial year with the development of a business management system.

Given that the PCRs are long standing elected members or senior council officers they have code of conduct in place at their councils.

Dulverton Authority Hearing

LGB: How are the different and additional responsibilities of Councillors when acting as PCRs addressed?

The Chair of the PCRs advised that his own mentoring had been undertaken by the previous Chair of the PCRs. Non- elected members in the Authority also act as an additional source of experience/expertise and advice for the elected members.

The LGMA code of conduct regulates the conduct of elected members. There is a mentoring role but no formal process within the Council. There is nothing specifically tailored to Dulverton Authority.

Dulverton Authority Submission

Safety and environmental inductions are undertaken for staff and contractors.

Dulverton Authority Hearing

LGB: What are the current and proposed induction processes relating to statutory responsibilities (including but not limited to those in the Act) for employees?

These induction processes are the responsibility of the Board of Management and the CEO. These are not part of PCRs' responsibility other than to review and discuss.

7.3. The operation of any committees or advisory groups established under the rules and any reporting structures in relation to these?

Dulverton Authority Submission

The only committee currently in operation is the Audit & Risk Committee, a committee to the Board of Management. Committees reporting to the PCRs have been developed previously for the selection and appointment of the current Directors and an Oversight Committee developed under the previous rules to monitor the technical operations of the Authority.

Dulverton Authority Hearing

LGB: Is there more information available on how the Audit & Risk Committee worked: any available guidelines ? What are the responsibilities and procedures of the Audit and Risk Committee?

Audit Committee – Comprises of the three members of the Board of Management. CEO could provide more detail.

LGB: What is the current status of the oversight committee?

Not operational, phased out. Audit and Risk Committee has taken on that role.

7.4. Processes to ensure that ongoing statutory obligations are met including referral of adverse developments, pecuniary interest, misuse of office and misuse of information.

Dulverton Authority Submission

As discussed in Section 6.12 business management systems are being developed to manage risks such as compliance, adverse developments and misuse of office.

Dulverton Authority Hearing

LGB: What is the Authority's understanding of what constitutes an adverse developments, including examples of these?

An adverse development could include: an issue that affects the Authority's financial position, negative equity, or issue with the Department of Primary Industries and Water regarding the licence.

LGB: How were the adverse developments experienced under the previous structure dealt with?

They identified adverse developments under the previous structure and these were fully discussed by PCRS with member Councils resulting in restructure of finances, and creation of a skills-based board and separate PCR board.

LGB: Did Board formally communicate issues as adverse developments?

There have been adverse development issues in the past however the full awareness of these did not occur until the new Board was appointed and all problems teased out.

Some advised through the Department of Primary Industries and Water. For example when the Leachate pond was breached.

The PCRS are not aware of any current adverse developments. In the past there was no formal structure when they did occur.

LGB: What was the process of documentation of previous problems. Were formal reports or minutes of problem kept? Would they warrant comment in annual reports?

The Chair of the PCRs advised that it was their understanding that it was – formal approval has to be signed off and reasons for urgency explained.

The strategic plan put in place environmental management system: certified, 6 monthly audits ensuring that adverse developments reported to representatives. The present contractor has a certified safety system.

LGB: What progress has been made by the Authority in implementing statutory compliance processes?

Chapter 8 The Management and Operations of the Authority

The LGB notes that the Management and Operations of an Authority, led by the Board of Management, is in some authorities subject to a range of existing legislative and regulatory scrutiny. Some authorities have also voluntarily adopted external standards and best practice business processes that cover core operations. Many of these governance systems may involve external supervision, audits or reviews.

Please address each of the following matters:

8.1. The governance role of the Board of Management of the Authority.

Dulverton Authority Submission

The governance role of the Board of Management is detailed in the Rules and summarised below:

- To direct affairs in accordance with strategic plan, annual plan and budget, and the requirements of the corporation model for government business between the Commonwealth, the States and the Territories.
- Conduct themselves in accordance with Corporations Law

Dulverton Authority Hearing

The Dulverton Authority CEO has developed business management processes: risk management identification, environmental management systems for consideration by the Board of Management there will be a pre-certification audit in December for their Environmental management system and external audits will be conducted 6 monthly. A new financial governance system is being developed.

LGB: Can the Board see copies of the Board of Management Minutes?

Yes, these are available & have been supplied to the PCRs on a regular basis.

8.2. Processes for ensuring that referrals of adverse developments are occurring (s35A)

Dulverton Authority Submission

As defined by the Rule the Board is to promptly notify the PCRs of anything which may:

prevent or significantly adversely affect the achievement of any objective (however called) set out in the strategic plan or annual plan; or

significantly adversely affect the financial viability or operating ability of the Authority and which is not referred to or allowed for in the strategic plan, annual plan or budget.

Evidence that the above clause is effective is notification of the PCRs and member Councils of the potential historical environmental liabilities identified under the new management.

8.3. Monitoring of competitive neutrality issues.

Dulverton Authority Submission

An Annual Plan (DWM, 2007) activity is to develop performance benchmarks in the areas of financial, compliance, community, environmental, safety and operations to demonstrate an efficient operation to the PCRs.

DWM operate financially sustainable including provision for aftercare and rehabilitation and capital development with no on going finance reliance on Participating Councils.

It should be noted that all Tasmanian putrescible landfills are owned by local government.

Dulverton Authority Hearing

LGB: How does the Authority satisfy competitive neutrality principles? What types of issues does the Authority consider to be Competitive neutrality issues?

This issue has not been a key focus for the Authority, rather focus has been on operating profitably. It is not really relevant when there is not a comparable private facility but an efficient well-run entity should still be strived for privately owned facilities in the region. No buy-in of services.

LGB: Does the Authority have a Comptroller appointed? Is the Authority an applicable Authority for the purposes of Part 3A?

This question was taken on notice.

Chapter 9 Other relevant matters

9.1. Communications and education programmes.

Dulverton Authority Submission

Education of the community and stakeholders is considered a priority in the Strategic Plan (DWM, 2007) with educational programs to be developed during 07/08 and 08/09. The proposed Regional Waste Levy will also fund educational programs for the region.

Educational activities which DWM currently participate in are:

Student tours undertaken as requested.

PCRs site visits in conjunction with meetings, generally twice yearly.

Technical tours for participating councils.

Sponsorship of industry bodies (i.e. Waste management Association of Australia).

Dulverton Authority Hearing

LGB: How does the work of the Authority interrelate to that of the Cradle Coast Authority Waste Management Group?

The CEO of the Dulverton Authority is a member of that body which ensures direct communication. He provides the project delivery for that group and paid by CAWMG – actively furthering those objectives.

9.2. Community engagement programmes and feedback processes.

Dulverton Authority Submission

DWM's involvement in delivering the waste levy projects for the Cradle Coast Region will result in increased community engagement.

Dulverton Authority Hearing

LGB: What plans have does the Authority have?

The Authority proposes to conduct municipal tours for school children and Councillors. It is holding a school competition for the cover of the Annual Report and preparing a pamphlet an educational document and financial performance. This will address what the landfill does and how it is done.

It is hoped that the Authority website will be up and running in twelve months.

LGB: What is the relationship with neighbours? Does the Authority engage the neighbours in any way about assurance of compliance with environmental processes?

Neighbours all receive a report on compliance with environmental processes to assure them that environmental management systems are in place and that the Authority is complying with environmental protection notices. Complaints from neighbours have to date all related to the mushroom farm. No other complaints to date.

9.3. Marketing and media processes.

Dulverton Authority Submission

Marketing and media processes have been discussed by Board of Management but considered to be of low priority at this time.

LGB: What preparation has the Authority made for potential Public Relations requirements, (both proactive and reactive requirements)?

No external arrangements have been implemented. Public relations matters are currently dealt with in house. This will be addressed in the Strategic Plan however.

The Authority currently maintains a complaints register which is available to any person on request.

LGB: Does the Authority intend to have a website?

Yes, in order to have a public profile and because it can be proud of the Authority as well as pushing recycling. This is likely to be under development until the end of the financial year.

9.4. Policies and processes in place to ensure transparency, accountability, openness and responsiveness directly or indirectly to the community.

Dulverton Authority Submission

For the first year DWM will prepare a social, environmental and financial annual report for 06/07 which will be available through DWM and Participating Councils to the public. The report will be distributed to all stakeholders.

LGB: Does the Authority intend to publish the annual report?

The Statutorily required Annual Report will not be published this year however the Authority intends to publish a summary version of this report (together with a cover produced in a completion for the cover. This will be made available to clients and all councils in the region.

Dulverton Authority Submission

PCR minutes are tabled at public meetings with the Annual General Meeting advertised and open to the public

9.5. Best Practice.

Dulverton Authority Submission

Best practice initiatives consist of environmental management system certification proposed for December 2007 and the recent financial restructure to provide a long term sustainable fully cost recoverable operation. The recent financial restructure involved transferring council's establishment loan to equity, consideration of financial assurance provisions and revaluation of assets and liabilities.

9.6. Additional Information

Dulverton Authority Submission

As discussed in s5.2, in 2005 new rules were developed with a Board of Management appointed in early 2006. This change was a result of previous inefficiencies, poor environmental compliance and a declining financial position, which reflects the PCRs and Participating Councils ability to respond to adverse developments. It is also important that this review recognises that although the Authority has been operational for around 12 years, it is effectively a new organisation with new rules and new management with a focus on improving community engagement, governance, stakeholder relationships as identified in the Strategic Plan.

Chapter 10 List of Supporting Documentation for the Submission

This Chapter will appear in the Final Report.

Chapter 11 Additional Documents provided by the Authority

This Chapter will appear in the Final Report. A summary of public submissions will be included here.

Chapter 12 Summary of Public Submissions

This Chapter will appear in the Final Report. A summary of public submissions will be included here.

Chapter 13 List of Persons making submissions

This Chapter will appear in the Final Report. It will set out a list of persons making submissions during the course of the Review.

Chapter 14 List of Additional Documents Provided with Public Submissions

This Chapter will appear in the Final Report. It will set out a list of any additional documents provided with Public Submissions.

Chapter 15 Notices calling for submissions

This Chapter will appear in the Final Report. Copies of the Public Notices calling for submissions will be attached.

Chapter 16 Map Indicating Area of Authority Operations

This Chapter will appear in the Final Report. Maps indicating the area of Authority operations will be provided.

Chapter 17 Participating Council Representatives, CEO and Board of Management of Dulverton Authority

Dulverton Authority Submission [Details of PCRS as appointed at time of drafting]

Participating Council Representatives	
Chief Representative:	Cr Mike McLaren, Latrobe Council
Deputy Chief Representative	Mr Jeffrey McNamara, Central Coast Council
	Cr John Deverell, Kentish Council
	Cr Mike Haberle, Kentish Council
	Ald Peter Hollister, Devonport City Council
	Mr Gerald Monson, Latrobe Council
	Mr Ian McCallum, Devonport City Council
	Cr Terence McKenna Central Coast Council
Board of Management	
	Elizabeth Frank, has a bachelor of Science, Master of Science, a PhD and has completed the Company Directors Course Diploma. Among her achievements, Elizabeth has established two profitable technology transfer companies (one related to land and water management) and has led an Australian – USA trade Mission. With Extensive experience as a Company Director and CEO as well as holding several positions as lecturer and researcher at various universities in Australia and internationally. Elizabeth brings strong skills in the areas of company directorship, general management, corporate governance, business and risk management to the Board as a well as a sound scientific background.
	Megan Boston has a Bachelor of Commerce and is a Qualified Chartered Accountant. She has also commenced the Director’s Essential Program through the Australian Institute of Company Directors. Megan has strengths in the financial management, risk management and corporate compliance areas and has worked in the airline and banking industries. Megan’s experience in the corporate governance arena has been as a Member of the Independent Audit Committee for the Victorian Environmental Protection Authority.
	Tony MacCormick has a Bachelor of Chemical Engineering (Hons) and a Diploma in Business. With extensive experience in the wastewater and environmental industry as well as the cement, chemical and metals industries. Tony has a strong background as a Company Director and Chairman as well as having been both Chief Executive at the national level and possess outstanding engineering and business experience, currently holding the position of Chairman of Cradle Coast Water.
CEO:	Mr Shane Eberhardt