CONFIDENTIAL ITEMS 2003 – JULY 2026

#	Date	Item Title	Confidential Order Details	Item being kept confidential - Agenda/ Attachment/ Minutes	Reason regarding retention or recommend-action to release	Resolution Regarding Action	Last Review Date	Next Review Date	Date Released
285	4 August 2025	GMB Water Mount Barker Region Wastewater Utility Board – Appointment of Audit and Risk Committee Management Committee Members	Section 90 (3) (a) Order 1. Pursuant to Section 90(3)(a) Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except Chief Executive Officer, Executive Manager, General Manager Corporate Services, General Manager Infrastructure, Acting General Manager Planning and Regulatory Services, Head of Wastewater and the Minute Secretary be excluded from attendance at the meeting for Agenda Item 18.1 Confidential Item: GMB Water Mount Barker Region Wastewater Utility Board – Appointment of Audit and Risk Committee Members. The Council is satisfied that pursuant to Section 90(3)(a) of the Act, the information to be received, discussed or considered in relation to this Agenda item is information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of applicants considered for appointment through the Expression of Interest process, in that details of their suitability for appointment will be discussed, which are sensitive and are details only known to those who have participated in the selection and appointment expression of interest process. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of details of what may prematurely be disclosed before discussing with the applicants the outcome of the expression of interest for appointment process. Section 91(7) Order 10. Pursuant to Section 91(7) That having considered Agenda Item 18.1 Confidential Item: GMB Water Mount Barker Region Wastewater Utility Board – Appointment of Audit and Risk Committee Members, in confidence under 90(2) and 3(a) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the documents and the minutes be retained in confidence until Audit and Risk	Documents and the minutes	The Council is satisfied that pursuant to Section 90(3)(a) of the Act, the information to be received, discussed or considered in relation to this Agenda item is information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of applicants considered for appointment through the Expression of Interest process, in that details of their suitability for appointment will be discussed, which are sensitive and are details only known to those who have participated in the selection and appointment expression of interest process. The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of details	Documents and the minutes be retained in confidence until Audit and Risk Committee appointees have been advised or such period determined by the Chief Executive Officer and that this order be reviewed every 12 months.		Within 12 months	*Report released on website 6 November 2026*

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			Committee appointees have been advised or such period determined by the Chief Executive Officer and that this order be reviewed every 12 months.		of what may prematurely be disclosed before discussing with the applicants the outcome of the expression of interest for appointment process.				

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18. CONFIDENTIAL REPORTS

18.1 REPORT TITLE: CONFIDENTIAL ITEM: GMB WATER MOUNT BARKER REGION WASTEWATER UTILITY BOARD – APPOINTMENT OF AUDIT AND RISK MANAGEMENT COMMITTEE MEMBERS

DATE OF MEETING: 4 AUGUST 2025

FILE NUMBER: DOC/25/198584

ATTACHMENTS: NIL

Key Contact	Sue Miller, Team Leader Risk and Governance
Manager	Alison Hancock, Executive Manager
Sponsor	Andrew Stuart, Chief Executive Officer

Community Plan 2044:
Leadership Objectives
25. Leadership and Vision: cultivate a culture of strong leadership within our organisation including in our Council Members, characterised by transparency, accountability, and responsiveness to the diverse needs and aspirations of our community.
26. Transparent and Inclusive Decision Making: transparent and inclusive decision-making, ensuring active engagement of diverse stakeholders and fostering trust and confidence in governance outcomes.
27. Efficient Public Services: enhance the efficiency and effectiveness of public services provided by Council, ensuring timely delivery of services that meet the evolving needs of the community and provide value for money.

Annual Business Plan:
Mount Barker Wastewater Service Annual Business Plan 2025/26.

Purpose:
To appoint members to the Audit and Risk Management Committee of the Council subsidiary, Mount Barker Region Wastewater Utility, GMB Water and set remuneration for ARC members.

Summary – Key Issues:
- The Mount Barker Region Wastewater Utility (the Authority trading as GMB Water) must establish an Audit and Risk Management Committee with membership nominated by the Authority and appointed by the Council.
- It is the Council who adopts the Authority's Audit and Risk Management Committee's Terms of Reference.

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- The Authority has made recommendations regarding Audit and Risk Management Committee Member appointments for Council consideration.

Recommendation 1:

That Council:

Section 90 (3) (a) Order

1. **Pursuant to Section 90(3)(a)**
   Pursuant to Section 90(2) of the Local Government Act 1999 the Council orders that all members of the public except Chief Executive Officer, Executive Manager, General Manager Corporate Services, General Manager Infrastructure, Acting General Manager Planning and Regulatory Services, Head of Wastewater and the Minute Secretary be excluded from attendance at the meeting for Agenda Item 18.1 Confidential Item: GMB Water Mount Barker Region Wastewater Utility Board – Appointment of Audit and Risk Committee Members.

   The Council is satisfied that pursuant to Section 90(3)(a) of the Act, the information to be received, discussed or considered in relation to this Agenda item is information the disclosure of which would involve the unreasonable disclosure of information concerning the personal affairs of applicants considered for appointment through the Expression of Interest process, in that details of their suitability for appointment will be discussed, which are sensitive and are details only known to those who have participated in the selection and appointment expression of interest process.

   The Council is satisfied that the principle that the meeting be conducted in a place open to the public has been outweighed in the circumstances because the disclosure of details of what may prematurely be disclosed before discussing with the applicants the outcome of the expression of interest for appointment process.

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Recommendation 2:

That Council:

2. **Notes the recommendations from the Mount Barker Region Wastewater Utility Board regarding Audit and Risk Management Committee Member appointments.**

3. **Notes Regulation 17(2) of the Local Government (Financial Management) Regulations 2011 provides that the audit committee of a council**

subsidiary must have between 3 and 5 members (inclusive); and must include at least 1 person who is not a member of the board of management of the subsidiary and who is determined by the council to have financial experience relevant to the functions of the audit committee.

Recommendation 3:

That Council:

4. **Resolves to appoint as Mount Barker Region Wastewater Utility Board Audit and Risk Management Committee Independent Members for staggered terms, to a maximum of five (5) years:**
    a. **Mr Brent Gimpel for a term of three (3) years expiring 30 June 2028**
    b. **Mr Patrick Trainor for a term of five (5) years expiring 30 June 2030**
5. **Resolves to appoint as Mount Barker Region Wastewater Utility Board Audit and Risk Management Committee Members current GMB Water independent non-executive Director Board Members:**
    a. **Ms Susan Filby for a term of three (3) years expiring 30 June 2028**
    b. **Ms Isabella Villani for a term of four (4) years expiring 30 June 2029**
6. **Resolves to appoint as a Mount Barker Region Wastewater Utility Board Audit and Risk Management Committee Member current independent member of the Mount Barker District Council's Audit and Risk Committee:**
    a. **Mr Mark Davies, for a term of three (3) years expiring 30 June 2028.**
7. **Notes the Local Government Finance Authority (LGFA) CEO (or delegate) is to be an observer on the MBRWU Audit and Risk Committee in accordance with the loan facility covenants/clauses as outlined in a letter dated 19 June 2025, in relation to the Audit and Risk Management Committee.**

Recommendation 4:

That Council:

8. **Appoints Ms Isbella Villani as Independent Chairperson of the Audit and Risk Management Committee Mount Barker Region Wastewater Utility Board (GMB Water).**

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Recommendation 5:

That Council:

9. **Endorse the remuneration of Mount Barker Region Wastewater Utility Board Audit and Risk Management Committee members per attendance at meetings and/or information briefing sessions, at:**

    a. **$602.69 per attendance for the Independent Chair**

    b. **$453.05 per attendance for Independent Members**

Recommendation 6:

Section 91(7) Order

Pursuant to Section 91(7)

10. **That having considered Agenda Item 18.1 Confidential Item: GMB Water Mount Barker Region Wastewater Utility Board – Appointment of Audit and Risk Committee Members, in confidence under 90(2) and 3(a) of the Local Government Act 1999, the Council pursuant to Section 91(7) of the Act orders that the documents and the minutes be retained in confidence until Audit and Risk Committee appointees have been advised or such period determined by the Chief Executive Officer and that this order be reviewed every 12 months.**

Background:

1. Council owns and operates the largest wastewater service of its kind run by any South Australian local government.

2. In order to most effectively and efficiently manage the increasing scale, complexity and regulatory requirements of its wastewater and recycled water service, there is a need for ongoing specialist expertise that is outside the scope of Council's traditional services and operations.

3. A detailed overview of the background to this report was provided in agenda items to council's 3 February 2025, 2 December 2024, 8 October 2024, and 8 July 2024 council meetings. This report does not repeat the background contained in those reports.

4. The Mount Barker Region Wastewater Utility Charter (the Charter) was approved by the Minister for Local Government and published in the South Australian Government Gazette on 2 January 2025.

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5. In accordance with Clause 3 of the Charter, the Authority (the Subsidiary) will be overseen by a Board of Management known as the Mount Barker Region Wastewater Utility Board (the Board), and will comprise up to seven (7) members.

6. The Charter provides, at clause 6.6 Audit and Risk Committee Management, that the Authority (the Board) must establish an Audit and Risk Management Committee.

7. At Council's 3 February 2025 council meeting, Council resolved, *inter alia* to:

OM20250203.23

(7) Resolves that the following two (2) applicants interviewed who have not been recommended for appointment as an independent non-executive Director to the Mount Barker Region Wastewater Utility Board at this time, be recommended to the Authority (pursuant to clause 6.6.2 of the Charter) for consideration for appointment as Mount Barker Region Wastewater Utility Board Audit and Risk Management Committee Members (subject to confirmation of their interest):

a. Brent Gimpel
b. Patrick Trainor

(8)Resolves to recommend to the Authority (pursuant to clause 6.6 of the Charter) that for continuity and knowledge transfer, that the Authority consider current independent non-executive Director Board Member John Comrie as a Mount Barker Region Wastewater Utility Board Audit and Risk Management Committee Member.

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Discussion:

8. Further to paragraph 7 above under background, at Council's 3 February 2025 council meeting, the agenda item included advice to Council that the Selection Panel (established by Council to make recommendations to Council for GMB Water board appointment) had considered that, when the time came for the Board to made recommendations to Council for members of the GMB Water's ARC, there was value in the Board including members of the Council's Audit and Risk Committee, for continuity, experience and knowledge transfer.

9. Two independent members of the Council's Audit and Risk Committee, Mark Davies and Kym Della-Torre have indicated their strong interest in being considered for the GMB Water Audit and Risk Management Committee.

10. Kym Della-Torre's term on the Council's ARC expires September 2026.

11. Mark Davies' term on the Council's ARC expires June 2027.

12. In the event Council supports Mr Davies' appointment to the GMB Water ARMC, it would see his appointment extend beyond the existing Council ARC term of appointment. This is not an impediment to being appointed to the GMB Water ARMC.

13. The GMB Water board, at its board meeting held Wednesday 30 July 2025 resolved to recommend to Council to appoint to the GMB Water Audit and Risk Management Committee:

    a. Brent Gimpel and Patrick Trainor; both were high-calibre applicants during the GMB Water board recruitment process, and both subsequently confirmed their interest in being appointed to the GMB Water's ARC

    b. Susan Filby and Isabella Villani, current GMB Water independent non-executive Director Board Members; and

    c. for continuity and knowledge transfer reasons, Mark Davies, a current independent member of the Mount Barker District Council's Audit and Risk Committee.

14. The applications from Brent Gimpel and Patrick Trainor, received previously in response to the EOI process the Council ran to recruit the board, were provided to the GMB Board. Both Mr Gimpel and Mr Trainor provided approval for re-use of these applications, noting that Mr Gimpel asked that his change in role to Head of Technology with ElectraNet from April 2025 be communicated to the GMB Water Board.

15. Mark Davies provided a letter of application letter and CV when approached to confirm his interest in being on the Audit and Risk Management Committee.

16. The application from Kym Della-Torre for the Council's Audit and Risk Committee, was used with his approval when approached to confirm his interest in being on the Audit and Risk Management Committee.

17. Michele Bennetts, Chair of the Council's ARC, advised she does not see a conflict of interest or any other issue with an individual being an independent member of both the Council's ARC and GMB Water ARMC, and in fact would welcome cross representation. However, Ms Bennetts did note her preference that either Mark or Kym be a member, not both, and that there would need to be clear delineation of their roles on the Council's ARC and GMB Water ARMC.

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18. The identified candidates between them fulfill the recommended skills areas of:
    - Financial Management
    - Risk Management
    - Governance
    - Local Government

    with each of them having more than one of these identified areas of skill or experience

19. If a recruitment process were to be run to fill the positions on the Mount Barker Region Wastewater Utility Audit and Risk Management Committee there may be a delay of three months, or more, in establishment of the Audit and Risk Management Committee.

20. All of the identified candidates have been through a competitive recruitment process, either for the subsidiary Board or the Council's Audit and Risk Committee, in the past two years.

21. The Local Government Finance Authority (LGFA) pre-approval to the MBDC wastewater subsidiary, Mount Barker Region Wastewater Utility (MBRWU) / trading as GMB Water) for up to $168 million of loan facilities includes the following covenants/clauses outlined in a letter dated 19 June 2025, in relation to the Audit and Risk Management Committee, that the LGFA CEO (or delegate) is to be an observer on the MBRWU Audit and Risk Committee.

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<u>Remuneration</u>

22. The establishment of the GMB Water wastewater subsidiary needs to consider the remuneration of its Audit and Risk Committee members.

23. At 3 February 2025 Council meeting, Council resolved *inter alia* the below remuneration for Board members.

    OM20250203.22

    (6) Endorse the remuneration of Mount Barker Region Wastewater Utility Board non-executive Directors pursuant to clause 3.6 of the Charter being:

    a. *Independent Board Member remuneration $14,180 inclusive of GST per annum indexed to CPI*

    b. *Independent Chairperson remuneration $40,000 inclusive of GST per annum indexed to CPI; and*

    c. *Reimbursement upon application for interstate travel and accommodation expenses incurred by Board Members for*

Board and Sub-Committee meeting attendance by approval of the Chair.

24. Further, at the 3 February 2025 Council was advised (at paragraph 26) that sub-committee remuneration would be the subject of further consideration by the Board and Council and determined at a future council meeting.

25. The Council's Audit and Risk Committee members are remunerated as follows for attendance at each meeting and/or information or briefing session in line with the guidance provided in the LGA (SA) FSIP No. 3:

    a. $602.69 per attendance for the Independent Chair
    b. $453.05 per attendance for Independent Members

Community Engagement:

Consult	Council meeting agenda and minutes.
Inform	Council meeting agenda and minutes. Council's website and media channels.

Policy:
Commercial Policy which includes:
To be clear and transparent regarding the commercial, social, environmental and community benefits in the decision making process.

Long Term Financial Plan:
Ongoing expenditure on fees for members of an Audit and Risk Management Committee is included in the GMB Water Annual Business Plan 2025/26 and GMB Water Long Term Financial Plan 2025-2035.

Budget:
Costs will be met from within the existing Wastewater Service budget.

Statutory/Legal:
Local Government Act 1999 – section 42 and Schedule 2 Part 1.

Local Government Act 1999, s42(4)
The establishment of a subsidiary does not derogate from the power of the council to act in a matter.

The Local Government Association of South Australia Financial Sustainability Information Paper (FSIP) No. 3 Audit and risk committees, last updated February

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2024, outlines the requirements for Audit committees of council subsidiaries, and under Section 11.1 for Single-council subsidiaries. In summary:

- A subsidiary established by a single council under section 42 of the Local Government Act must have an audit committee
- The audit committee may include members of the council's audit and risk committee
- Regulation 17(2) of the Local Government (Financial Management) Regulations 2011 provides that the audit committee of a council subsidiary:
  (a) Must have between 3 and 5 members (inclusive); and
  (b) Must include at least 1 person who is not a member of the board of management of the subsidiary and who is determined by the council to have financial experience relevant to the functions of the audit committee; and
  (c) Must not include, as a member, the council's auditor under section 128 of the Local Government Act or the auditor of the subsidiary under Part 6

The functions of a single-council subsidiary audit committee are set out in schedule 2, Part 1, Clause 13 of the Local Government Act and include:

- Reviewing annual financial statements to ensure they provide a timely and fair view of the state of affairs of the subsidiary
- Liaising with external auditors
- Reviewing the adequacy of the accounting, internal audit, reporting and other financial management systems and practices of the subsidiary on a regular basis.

Staff Resource Requirements:
Within existing resources.

Environmental:
Environmental objectives are reflected in the Charter for the wastewater subsidiary.

Social:
Social considerations are reflected in the charter for the wastewater subsidiary.

Risk Assessment:

1. The Charter includes a requirement for a review of the performance of the Wastewater Subsidiary after 2 years of operation.

2. The management of an essential service and the risks associated with ensuring that it is compliant with statutory responsibilities and obligations as well as performance obligations and expectations are recommended to be

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best managed via a skills based Board established with these specific and specialised expertise.

Asset Management:

The wastewater subsidiary will be responsible for the management of the Wastewater Service assets.

Conclusion:

The increasing scale and complexity of the Council's Wastewater Service requires governance arrangements that are reflective of this. Decision making by Council is required to appoint GMB Water Audit and Risk Management Committee.

Previous Decisions By/Information Reports to Council

Meeting Date	3 February 2025	CM Reference	DOC/24/198584
Title	Mount Barker Region Wastewater Utility Board – Appointment and Remuneration of Board Members		
Purpose	To appoint the remainder of Board Members to the Council subsidiary, Mount Barker Region Wastewater Utility Board (the Board), confirm the period of appointment for all Board Members, set Board Member remuneration, and make recommendations for the composition of the Utility's Audit and Risk Management Committee.		

Meeting Date	2 December 2024	CM Reference	DOC/24/162509
Title	Mount Barker Region Wastewater Utility Board – Appointment of Board Members		
Purpose	To appoint the initial four (4) members to the Mount Barker Region Wastewater Utility Board (the Board).		

Meeting Date	8 October 2024	CM Reference	DOC/24/139983
Title	Wastewater Subsidiary Charter Referral to Minister for Gazettal and Commencement of Board Recruitment Process		
Purpose	To note that the Communication Strategy as endorsed by Council at its 3 July 2024 meeting (SM20240708.05) has been implemented, to endorse the submission of the Wastewater Subsidiary Charter to the Minister for Local Government for Gazettal and endorse the commencement of recruitment for the Mount Barker Region Wastewater Utility Board.		

Meeting Date	8 July 2024	CM Reference	DOC/24/86896
Title	Wastewater Subsidiary Charter Community Engagement and Transition Plan for Endorsement		
Purpose	To seek endorsement by Council of the Communication Plan as an INFORM level of community engagement on the draft Wastewater Charter prior to forwarding the Charter to the Minister for Local Government for Gazettal. For Council to note the Transition Plan to establish a Wastewater Subsidiary		

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