

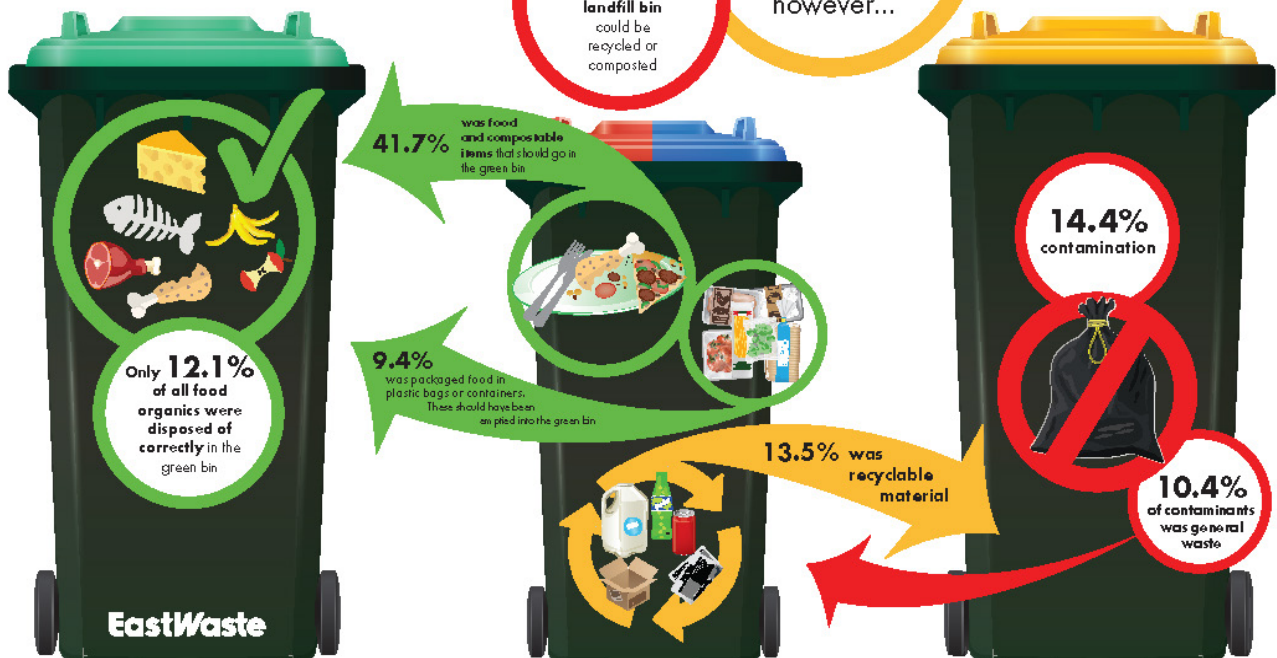
EastWaste

\$3.3M

per year could be saved if all food and compostable materials were placed in the green bin rather than the landfill bin

58.2%
of resources
were diverted
from landfill
however...

60.6%
of the material in
the general waste/
landfill bin
could be
recycled or
composted



2023/24 Annual Plan

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VISION

The Destination

To be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services.

MISSION

The Vehicle

Delivering leading-edge solutions and services for a cleaner and sustainable future.

Executive Summary

Having onboarded the City of Unley in the last half of 2022, East Waste now has eight high-quality Member Councils which it provides an array of kerbside waste and services to. This equates to over 40% of South Australia's metropolitan Councils and approximately 25% of the Adelaide population.

The focus of the FY24 Annual Plan is diverse, however has three primary focus areas:

1. A continuation of activities designed to improve the connection and interaction with residents seeking to engage with East Waste.
2. Progression of behaviour change programs, principally around food diversion from landfill to organics.
3. Strengthening the integrity of our internal systems, processes and framework in order to reduce risk and improve our already high Governance levels.

Sharp CPI increases, including the highest quarter increase in the past 30 years, necessitates East Waste curbing expenditure in several other areas to mitigate the impost on Member Councils. Fuel continues to remain volatile, making confident forward projections challenging.

Background

East Waste is the trading name of Eastern Waste Management Authority, which was established in 1928. The Authority is a regional subsidiary of the Adelaide Hills Council, City of Burnside, Campbelltown City Council, City of Norwood Payneham & St Peters, City of Mitcham, City of Prospect, City of Unley and Town of Walkerville.

East Waste is governed by a Charter ([the Charter](#)) pursuant to *Section 43* of the *Local Government Act 1999* and administered by a Board, which includes a director appointed by each Council and an Independent Chair. Through the admission of the City of Unley as a Member Council, East Waste undertook the required periodic review of the Charter which has now been endorsed by all Member Councils and is live.

Clause 51 of the Charter requires the Authority each year to have an Annual Plan which supports and informs the budget. Specifically, it is to include an outline of East Waste's objectives, the activities intended to be pursued, and the measurement tools defined to assess performance. It must also assess and summarise the financial requirements of East Waste and set out the proposals to recover overheads and costs from the Member Councils.

Sitting above the Annual Plan is the *East Waste 2030 Strategic Plan* which sets out a series of bold and ambitious targets (Key Performance Indicators) which we aspire to meet through five Key Objectives and a series of Strategies. The *2030 Strategic Plan* is summarised on the following page.

For full context this Plan should be read in conjunction with East Waste's broader strategic planning framework including the *Strategic Plan 2030*, Long-Term Financial Plan, and Risk Management Planning Framework.

As a regional subsidiary, East Waste recognises that success from this Annual Plan is not possible without the continued support, integration and active working partnership of all our Member Councils and key Strategic Partners. East Waste is committed to developing and continuing partnerships which ultimately drive value back to the communities we serve. The value East Waste offers is unique, in that we are continually working with our Member Councils to drive down costs. East Waste have established a model where we are nimble and respond swiftly to external impacts and Member Council requests, in a far more timely manner than industry counterparts. East Waste takes much of the worry and pressures associated with waste away from the Member Councils, allowing them to focus on other key matters of importance to them and their communities.

East Waste 2030 Strategic Plan Vision, Objectives & Strategies

VISION

To be the leading waste logistics company in Australia through the delivery of innovative collection and resource management services to our Member Councils & their Communities.

OBJECTIVES

1. Deliver cost-effective and efficient services facilities

2. Maximise source separation and recycling

3. Provide leading and innovative behaviour change and education

4. Help develop a local circular economy

5. Provide leadership

STRATEGIES

- 1.1 Attract additional services and/or new councils where further economies of scale can be achieved
- 1.2 Offer a single contract for the management of the residual waste to all member councils
- 1.3 Partner with other councils and organisations to achieve greater synergies and economies of scale in service delivery
- 1.4 Investigate and implement collection technologies and innovation
- 1.5 Provide a consistently high standard of Customer Service

- 2.1 Provide more service choice and flexibility to residents on kerbside services to support them to increase their recycling levels
- 2.2 Provide a tailored 3-stream service to Multi-Unit Dwellings (MUDs) to support waste reduction and increased recycling
- 2.3 Pilot a tailored service delivery model across a business precinct(s) to support waste reduction and increased recycling

- 3.1 Engage in research and projects delivering evidence-based data which increases behaviour change decision making
- 3.2 Develop an integrated and tailored long-term community behaviour change and education program
- 3.3 Identify and trial behaviour change programs aimed at reducing contamination
- 3.4 Encourage and support councils to introduce an incentive(s) to households to reduce their landfill volumes
- 3.5 Engage schools in behaviour change & waste education

- 4.1 Support local reprocessing and procurement of recycled content products
- 4.2 Encourage and support councils to procure and use recycled content products
- 4.3 Support councils to implement sharing economy and reuse initiatives
- 4.4 Investigate options to process and extract the highest value from collected resources

- 5.1 Implement best practice safety standards
- 5.2 Advocate on behalf of our Member Councils
- 5.3 Invest in our people
- 5.4 Quality and transparent Corporate (Governance & Financial) Activities

KPIs

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

At least 75 percent (by weight) of total kerbside materials are separately collected and recycled by 2030

54% 60% 66% 75%

100 percent (by weight) of total food waste is separately collected and recycled by 2030

13% 40% 75% 100%

At least 60 percent (by weight) of kerbside materials from MUDs are separately collected and recycled by 2030

- 45% 50% 60%

At least 60 percent (by weight) of materials from businesses serviced are separately collected and recycled by 2030

- 45% 50% 60%

Reduce average contamination of kerbside commingled recycling stream to less than 7 percent (by weight)

12.5% <11% <9% <7%

BASELINE 2023 2027 2030

2023/24 Focus

At a high level, progression towards the Vision and 2030 Strategic Plan Key Performance Indicators (KPIs) will be the primary focus and sit behind all the activities that East Waste undertake in the 12 months from 1 July 2023.

The KPIs set in the 2030 Strategic Plan were deliberately designed to be stretch targets and will require creative approaches and the support and engagement with our Member Councils and external Organisations in order to achieve them. The 15 programs listed below will step East Waste towards these goals, however, are by no means a silver bullet to achieving any of the KPIs.

Objective 1: Deliver cost-effective and efficient services & facilities ensure East Waste remains true to its core function of providing high quality and fiscally efficient services to Member Councils, while at the same time seeking external opportunities which add value to the East Waste model. In addition, ensuring that we continue to have contemporary modes of engagement and facilities to deliver services is paramount.

Objective 2: Maximise Source Separation and Recycling and *Objective 3: Provide leading and innovative behaviour change and education* are centred on improving material efficiency, diversion from landfill and actively working towards the Key Performance Indicators listed within the 2030 Strategic Plan. The actions are also designed to help East Waste as an entity, achieve the State Government 2025 diversions targets (specifically Municipal Solid Waste and Food). Within these targets are specific actions centred around improving food waste efficiency and driving down the \$3.09M of wasted resources and financial costs across Member Councils each year. Food diversion remains our single biggest opportunity and with growing Member Council support and enthusiasm, the FY24 year shapes as a pivotal formation year for several exciting and rewarding programs in this space. Undoubtedly, these will reinforce East Waste as leader in the space.

Objective 4: Help Drive a Local Circular Economy, recognises that East Waste has a role to play in assisting and supporting our Members to be more engaged and active within the local circular economy space.

Objective 5: Provide Leadership, actions assist East Waste to continue to strengthen the integrity of internal systems, processes and framework and invest in our people, in order to reduce risk and improve our already high Governance levels.

The actions are far from a prescriptive list, rather the key projects East Waste intends to undertake over the 2023/24 year and more detail on each is provided below. While these will be the key focus, East Waste will remain as a fluent and adaptable Organisation that is able to pivot and respond as required to maximise funding, partnerships, opportunities and projects that will fast-track the pursuit of our KPIs.

This Annual Plan is to be effective from 1 July 2023.

NO.	ACTIVITY/PROJECT	OVERVIEW	OBJECTIVE	STRATEGY	MAIN KPI/TARGET	BUDGET
DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES						
	Continue & Expand Core services	East Waste optimisation will come from providing a full suite of services to Member Councils. Where this doesn't occur, East Waste will work with the respective Councils in a bid to secure these services.	Deliver Cost Effective and efficient services and facilities	1.1	Vision Target	Recurrent
	Investigate opportunities outside of existing Member Councils.	When potential opportunities arise, East Waste will investigate service provision to non-member Councils where value to existing Members can be realised.	Deliver Cost Effective and efficient services and facilities	1.1	Vision Target	Recurrent
	Undertake a review of Business Facilities	East Waste currently leases Depot facilities at 1 Temple Court Ottoway. Ahead of the lease expiration, completion of a business case covering a review of existing arrangements, future needs and growth is appropriate.	Deliver Cost Effective and efficient services and facilities	1.3	Vision Target	Recurrent + Service Initiative \$0.025M
	Establish Service Level Agreements	The establishment of Service Level Agreements (SLA) with each Member Council will better clarify roles and responsibilities across the range of delivery areas.	Deliver Cost Effective and efficient services and facilities	1.5	Vision Target	Recurrent
	Increase Customer Engagement Opportunities	Further enhancement of customer access and engagement through online service portals for the booking of key East Waste services.	Deliver Cost Effective and efficient services and facilities	1.5	Vision Target	Recurrent + Service Initiative \$0.015M

MAXIMISE SOURCE SEPARATION & RECYCLING

1.	Continue to advance a broadscale 'Choice & Flexibility model.'	Secure and deliver at least one 'Choice & Flexibility' trial with a Member Council with a view to enhancing knowledge on a full roll out for all Member Councils.	Maximise Source separation and recycling	2.1	<ul style="list-style-type: none"> • At least 75% of kerbside material separately collected & recycled • 100% of food waste separately collected and recycled. 	Recurrent + Service Initiative \$0.075k
2.	Investigate options for identified problematic waste (ie. soft plastics) and the role East Waste can play in providing viable solutions for the community	There are several problematic waste streams and/or infant or proposed programs to address the problem. This project will investigate key issue waste streams and determine the best role East Waste can play in supporting, promoting, or implementing.	Maximise Source separation and recycling	2.1	<ul style="list-style-type: none"> • At least 75% of kerbside material separately collected & recycled • Reduce average contamination of kerbside comingled recycling stream to less than 7% 	Recurrent

• **PROVIDE LEADING AND INNOVATIVE BEHAVIOUR CHANGE AND EDUCATION**

8.	Delivery of the “Why Waste It?” behaviour change program and associated social media.	Utilising the results of the reviews and biennial kerbside audits undertaken over the past 4 years, refine and deliver the ongoing successful “Why Waste It?” program.	Provide leading and innovative behaviour change and education	3.2	• Vision Target	Recurrent + Service Initiative \$0.170M
9.	Household Reporting	Utilising the latest proven technology, determine if individual household reporting, on key waste metrics can be collected and efficiently distributed to householders in a bid to improve awareness and landfill diversion.	Provide leading and innovative behaviour change and education	2.2	At least 75% of kerbside material separately collected & recycled	Recurrent + Service Initiative \$0.140M

HELP DRIVE A LOCAL CIRCULAR ECONOMY

10.	Engage with Recycling and Organics Processors to identify research, markets and opportunities for the strengthening of circular economy opportunities	Through contracts with two proactive Material Recovery Facilities and a long-standing relationship with Jeffries, an opportunity exists to maximise local reuse opportunities. This project will investigate new and existing opportunities and pathways to adoption by East Waste and Member Councils.	Help Drive a Local Circular Economy	4.1	Vision Target	Recurrent
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PROVIDE LEADERSHIP

11.	Fleet Replacement	In line with the Long-Term Financial Plan, undertake the replacement of six (6) collection vehicles.	Provide Leadership	5.4	Vision Target	Capital \$2.155M
12.	Enterprise Agreement	Negotiate Enterprise Agreement for Operational Staff.	Provide Leadership	5.3	Invest in our People	Recurrent + Service Initiative \$0.020M
13.	WHS System Responsibility and Accountability	<p>Work Health & Safety Management System Responsibility and Accountability were identified as an area for improvement within the recent LGRS risk audit.</p> <p>East Waste will review current relevant WHSMS responsibilities and accountabilities and where required, implement improvements to ensure greater Organisational awareness and commitment.</p>	Provide Leadership	5.1	Implement best practice safety standards	Recurrent
14.	Risk Mitigation & Governance	<p>Review key finance and governance systems, and processes to identify one or more of;</p> <ul style="list-style-type: none"> • Process efficiency; • Process integrity; • Improved governance; and • Knowledge improvement & retention, 	Provide Leadership	5.4	Quality & Transparent Corporate Activities.	Recurrent
15.	Implementation of Service Vision, Values and Standards.	Generate and implement across the Organisation a tailored Service Vision, Values and Standards framework, that drives a clear vision, consistency and ultimately an enhanced customer experience	Provide Leadership	5.3	Invest in our People	Recurrent + Service Initiative \$0.025M



Budget Management

East Waste operates its waste collection services on a Common Fleet Costing methodology, whereby each respective Member Council is charged directly according to the proportionate time it takes to undertake their respective collection services. This is achieved through the utilisation of a specialised, highly accurate and powerful cloud-based, real-time GPS based system, supported by detailed reporting capabilities. As a result of this, minor variations in the common fleet percentages (and therefore apportioning of Common Fleet costs) occur from year-to-year to account for realised efficiencies, changes in the number of collections undertaken and movement in collection operating costs (e.g. Development increases, Fire Ban days and events).

The Tables on the following page provide a detailed summary of the key business activities undertaken by East Waste on behalf of its Member Councils. Table 1 provides a summary of the operating and capital income and expenditure elements forecasted for waste collection activities for 2023/24. Unsurprisingly the most significant expenditure relates to the logistical requirements of serving the kerbside collections across eight Councils and over 25% of Adelaide's residential population. Fleet replacement, which occurs on a cyclical annual basis, is currently funded via external loan borrowings.

As can be seen from Tables 2 and 3, one of the significant benefits of being an East Waste member is that on top of the highly competitive prices received as a result of aggregated buying power, no administrative, handling or on-costs are charged in relation to resource processing contracts held by East Waste or bin maintenance services. All are charged at-cost.

Labour and fuel costs are the two largest operational costs relating to waste collection and processing activities undertaken by East Waste which have been subject to volatile movements in the past 18 months given the impact of domestic and global economic impacts. This has made budgeting exceedingly challenging when developing the 2023/24 budget and while all available information and indicators have been considered for inclusion in these figures, the potential for significant cost movement (in particular within fuel and finance costs) remains a high risk to East Waste achieving its desired financial targets.

A series of higher-than-expected CPI increases, including the annual December 2022 rate increasing for Adelaide of 8.6%, has necessitated the need to apply a higher-than-historical increase to several cost centres which have contracts tied to CPI increases. In order to keep Member Council cost increases to lower than CPI rates, East Waste have offset where possible with minimal and/or no increase across a number of other cost centres.

The budget to deliver this Annual Plan, along with all East Waste's Services and legislative requirements is detailed in the following proposed 2023/24 Financial Papers (refer Attachment 1 – 5).

Table 1: 2023/24 Budget Summary - Waste Collection Services

	Income \$	Expenditure \$	Net Surplus /Deficit \$
Recurrent- Waste Collection	16,712,597	16,383,473	329,124
Recurrent - Corporate Administration	326,347	-	326,347
Service Initiatives	50,000	540,000	(490,000)
Capital Program	-	2,155,000	(2,155,000)
Total	17,088,944	19,078,473	(1,989,529)

Table 2: 2023/24 Budget Summary - Bin Maintenance Services

	Income \$	Expenditure \$	Net Surplus /Deficit \$
Recurrent	1,310,575	1,310,575	-
Service Initiatives	-	-	-
Capital Program	-	-	-
Total	1,310,575	1,310,575	-

Table 3: 2023/24 Budget Summary - Waste Processing Services

	Income \$	Expenditure \$	Net Surplus /Deficit \$
Recurrent	5,757,171	5,757,171	-
Service Initiatives	-	-	-
Capital Program	-	-	-
Total	5,757,171	5,757,171	-

Financial Statements

EAST WASTE

Projected Statement of Comprehensive Income (Budgeted)
for the Financial Year Ending 30 June 2024

FY2022		FY2023	FY2023	FY2024
Audited		Adopted	BR2	Proposed
Actuals		Budget		Budget
\$'000		\$'000	\$'000	\$'000
Income				
16,579	User Charges	21,955	21,581	22,747
10	Investment income	13	23	20
81	Grants, subsidies and contributions	75	75	50
932	Other	1,069	1,019	1,322
17,602	Total	23,112	22,698	24,139
Expenses				
6,386	Employee Costs	7,164	7,174	7,675
9,303	Materials, contracts & other expenses	13,241	12,482	13,275
2,043	Depreciation, amortisation & impairment	2,346	2,346	2,657
246	Finance costs	406	371	384
17,978	Total	23,157	22,373	23,991
(376)	Operating Surplus / (Deficit)	(45)	325	148
7	Asset disposals & fair value adjustments	200	100	18
(369)	Net Surplus / (Deficit)	155	425	166
-	Other Comprehensive Income	-	-	-
(369)	Total Comprehensive Income	155	425	166

EAST WASTE**Projected Balance Sheet (Budgeted)**

for the Financial Year Ending 30 June 2024

FY2022		FY2023	FY2023	FY2024
Audited		Adopted		Proposed
Actuals		Budget	BR2	Budget
\$'000		\$'000	\$'000	\$'000
	Assets			
	Current			
2,001	Cash & Cash Equivalents	2,056	2,355	3,001
935	Trade & Other Receivables	661	935	935
50	Inventory	-	50	50
2,986	Total	2,717	3,340	3,986
	Non-Current			
8,542	Infrastructure, Property, Plant & Equipment	11,022	11,024	10,490
8,542	Total	11,022	11,024	10,490
11,528	Total Assets	13,739	14,364	14,476
	Liabilities			
	Current			
1,436	Trade & Other Payables	1,145	1,361	1,311
1,940	Borrowings	2,355	2,355	2,200
778	Provisions	787	838	893
4,154	Total	4,287	4,554	4,404
	Non-Current			
6,410	Borrowings	8,351	8,361	8,402
114	Provisions	137	174	229
6,524	Total	8,488	8,535	8,631
10,678	Total Liabilities	12,775	13,089	13,035
850	Net Assets	964	1,275	1,441
	Equity			
850	Accumulated Surplus	964	1,275	1,441
850	Total Equity	964	1,275	1,441

EAST WASTE

Projected Statement of Cashflows (Budgeted)

for the Financial Year Ending 30 June 2024

FY2022		FY2023	FY2023	FY2024
Audited		Adopted	BR2	Proposed
Actuals		Budget		Budget
\$'000		\$'000	\$'000	\$'000
	Cash Flows from Operating Activities			
	Receipts			
17,400	Operating Receipts	23,024	22,600	24,069
9	Investment Receipts	13	23	20
	Payments			
(6,245)	Employee costs	(7,071)	(7,054)	(7,565)
(9,613)	Materials, contracts & other expenses	(13,241)	(12,482)	(13,275)
(258)	Interest Payments	(406)	(371)	(384)
1,293	Net Cash Flows from Operating Activities	2,319	2,716	2,865
	Cash Flows from Investing Activities			
	Receipts			
86	Sale of Replaced Assets	200	100	50
	Payments			
(2,305)	Expenditure on Renewal/Replaced Assets	(2,223)	(2,231)	(2,115)
(244)	Expenditure of New/Upgraded Assets	(2,597)	(2,597)	(40)
(2,463)	Net Cash Flows from Investing Activities	(4,620)	(4,728)	(2,105)
	Cash Flow from Financing Activities			
	Receipts			
2,031	Proceeds from Borrowings	4,525	4,525	2,115
	Payments			
(237)	Repayment of Lease Liabilities	(263)	(263)	(285)
(1,791)	Repayment of Borrowings	(1,896)	(1,896)	(1,944)
3	Net Cash Flow from Financing Activities	2,366	2,366	(114)
(1,167)	Net Increase (Decrease) in cash held	65	354	646
3,168	Cash & cash equivalents at beginning of period	1,991	2,001	2,355
2,001	Cash & cash equivalents at end of period	2,056	2,355	3,001

EAST WASTE

Projected Statement of Changes in Equity (Budgeted)
for the Financial Year Ending 30 June 2024

FY2022		FY2023	FY2023	FY2024
Audited		Adopted	BR2	Proposed
Actuals		Budget		Budget
\$		\$'000	\$'000	\$'000
1,219	Balance at Start of Period - 1 July	809	850	1,275
(369)	Net Surplus / (Deficit) for Year	155	425	166
-	Contributed Equity	-	-	-
-	Distribution to Councils	-	-	-
850	Balance at End of Period - 30 June	964	1,275	1,441

EAST WASTE

Projected Uniform Presentation of Finances (Budgeted)
for the Financial Year Ending 30 June 2024

FY2022		FY2023	FY2023	FY2024
Audited Actuals		Adopted Budget	BR2	Proposed Budget
\$'000		\$'000	\$'000	\$'000
17,602	Income	23,112	22,698	24,139
(17,978)	Expenses	(23,157)	(22,373)	(23,991)
(376)	Operating Surplus / (Deficit)	(45)	325	148
Net Outlays on Existing Assets				
(2,305)	Capital Expenditure on Renewal and Replacement of Existing Assets	(2,223)	(2,231)	(2,115)
2,043	Depreciation, Amortisation and Impairment	2,346	2,346	2,657
86	Proceeds from Sale of Replaced Assets	200	100	50
(176)		323	215	592
Net Outlays on New and Upgraded Assets				
(244)	Capital Expenditure on New and Upgraded Assets	(2,597)	(2,597)	(40)
-	- Amounts Specifically for New and Upgraded Assets	-	-	-
-	- Proceeds from Sale of Surplus Assets	-	-	-
(244)		(2,597)	(2,597)	(40)
(796)	Net Lending / (Borrowing) for Financial Year	(2,319)	(2,057)	700