EastWaste

ANNUAL PLAN 2026/2027

OUR OBJECTIVES:

- Deliver Cost Effective & Efficient Services
- Maximise Source Separation & Recycling
- Provide Leading & Innovative Behaviour Change & Education
- Help Develop a Local Circular Economy
- Provide Leadership

Contents

FIG. 1 East Waste Field Team

Executive Summary

The 2026/2027 financial year marks an ambitious and focused phase in the growth of the Eastern Waste Management Authority's (East Waste's) growth. Clear goals have been set to improve transparency, strengthen Constituent Council engagement, and enhance operational performance. East Waste is committed to building strong relationships and enhancing reporting capabilities. We will also continue to prioritise safety and explore further education and growth opportunities.

Technology remains a key enabler for East Waste. Cost-effective development of digital solutions will be critical to achieving targets relating to transparency and reporting. This directly supports the release of the Service Level Agreements and the work underway on improvements to the Cost Model. With both activities expected to be resolved and implemented in the coming financial year demonstrating the value add will be important.

With the change of leadership, a workforce review has also enabled further consideration of the existing delivery models and role and responsibility allocation. To this end East Waste will be looking to increase engagement with the many Local Government agencies to maximise staff efficiency and deliver improved value back to Constituent Councils, especially in the areas of safety and procurement.

East Waste is committed to a successful year that will build closer ties to our Constituent Councils, significantly move forward our transparency and reporting, increase Constituent Council input and identify opportunities for cost reduction and performance improvement through directed projects, such as the maintenance review.

FIG. 2 East Waste Administration

Background

East Waste has been delivering waste collection services since its establishment in 1928. As a regional subsidiary, East Waste is owned by and operates on behalf of Adelaide Hills Council, the City of Burnside, Campbelltown City Council, the City of Norwood Payneham & St Peters, the City of Mitcham, the City of Prospect, the City of Unley, and the Corporation of the Town of Walkerville.

East Waste operates under a Charter, developed pursuant to Section 43 of the *Local Government Act 1999*, which sets out its governance, operational, and financial management framework. The East Waste Board, consisting of a director appointed by each Constituent Council and an Independent Chair, oversees the strategic direction and operational efficiency of the organisation.

Pursuant to Clause 51 of the Charter, East Waste is required to develop an Annual Plan each financial year. This Plan supports and informs the budget and provides a clear outline of East Waste's objectives, key activities, and performance measures. Additionally, it details the financial requirements of the organisation and the mechanisms for cost recovery from Constituent Councils.

The Annual Plan aligns with, and is informed by, East Waste's broader strategic planning framework, including:

- **East Waste Strategic Plan 2020-2030** – setting long-term sustainability and operational targets.
- **Long-Term Financial Plan** – ensuring financial sustainability and cost-effective service delivery.
- **Risk Management Framework** – identifying and mitigating risks to service continuity.
- **Fleet Asset Management Plan –** a standalone strategic document guiding the sustainable management, renewal, and investment in critical infrastructure and fleet.

As a regional subsidiary, East Waste remains committed to collaboration, efficiency, and innovation. Success in delivering the 2026/2027 Annual Plan is reliant on strong partnerships with Constituent Councils and key stakeholders. Through a flexible, responsive, and cost-efficient service model, East Waste continues to deliver value to Constituent Councils and their communities by providing high-quality waste collection services while navigating an evolving regulatory and environmental landscape.

FIG. 3 East Waste Truck Messaging

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...

KPI	BASELINE	2023	2027	2030
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%

TARGETS

2026/2027 Focus

With the appointment of a new General Manger in mid-2025, East Waste has an opportunity to review existing processes, consider operational models and conduct an overview of delivery, ranging from workforce and customer relationships to the use of technology and reporting initiatives, building upon the work already undertaken and improvements achieved in the 2025-2026 period.

For 2026/2027, East Waste's key areas of focus include:

Enhancing Constituent Council Support

- Engaging in greater Council/East Waste collaboration with increased Constituent Council participation.
- Implementing improved transparency around operational delivery and costs through timely and accessible digital reporting.
- Establishing a Service Level Agreement across all Constituent Councils to generate visibility and clarity of services offered by East Waste including target performance levels.
- Conducting cost reviews into specific projects, namely maintenance in 2026-2027 to achieve improved awareness and budget accuracy, and where possible potential savings.
- Progressing and concluding the Cost Model review which has been undertaken to improve East Waste cost transparency and achieve improved accuracy of charges with less lag. This review will result in recommended adjustments to the Cost Model and seek input from the Board and CEOs with regards to implementation timing. Two of the key outcomes will be quarterly reconciliation of Common Fleet to reflect usage and timely capture of projects/FOGO costs for allocation to relevant Constituent Councils. The updated model will be finalised and prepared for consideration and then implementation either in a mid-year adjustment or in preparation for fiscal year 2027-2028.

Strengthening Safety and Compliance

- Utilising digital reporting to ensure safety is at the forefront of leadership and team focus with consistent and reliable reporting on key safety areas.
- Tapping into existing support mechanisms and skills currently available within Local Government, such as procurement for greater governance support and cost efficiencies.
- Building strong ties with Local Government agencies, such as Local Government Risk Services to ensure work, health and safety focused priorities align with legislative requirements.
- Continuing to invest in modern fleet technology, to enhance driver and public safety.

Improving Service Delivery and Customer Satisfaction

- Continuing to refine customer service and complaint resolution processes to enhance community satisfaction, with a view to implementing greater automation.
- Establishing performance targets within the Service Level Agreements to enhance customer experience.
- Reviewing workforce roles and responsibilities to identify where additional role(s) would create service delivery improvements or efficiencies.

Driving Environmental and Circular Economy Outcomes

- Working with Constituent Councils on the delivery and formation of education programs to improve environmental outcomes and move towards an improved circular economy.
- Supporting Constituent Councils to expand Food Organics and Garden Organics (FOGO) programs, building on the success of previous trials.
- Exploring existing data for opportunities to better inform Constituent Councils of environmental improvements, such as targeted street education.
- Exploring new opportunities to reduce landfill dependency and improve resource recovery.

East Waste remains committed to delivering innovative, sustainable, and cost-effective waste management solutions. The 2026/2027 Annual Plan ensures that East Waste continues to provide high-quality, financially responsible services to its Constituent Councils while adapting to new opportunities and challenges.

FIG. 4 East Waste Truck FOGO Messaging

Timeline

The specific activities and projects to support achievement of the East Waste focus areas are detailed below. This is not an exhaustive list of all activities however, it provides an overview of primary projects, their intended timeframe, and insight into how the focus areas will be undertaken and the outcomes targeted. Business as usual and the East Waste high delivery standard will be maintained throughout these activities.

Activities, discussions, and engagement related to the focus areas will take place both before and after the specific timeframes referenced. However, dedicated focus and increased resources will be aligned with the project plans. The plans are deliberately weighted toward the June–January period, as the development of the following year's projects should be informed by the successful completion of these activities. This cycle ensures planning begins in February, with key tasks completed ahead of the drafting of the next Annual Plan.

This timeline starts with the build up to the new year and then flows through 2026/2027.

Preparation for Focus Areas in FY26/27

Service Level Agreements (SLA):

- Finalise draft SLAs based on feedback received over the course of the activity.
- Package and send finalised draft SLAs to Constituent Councils for final round of feedback, including ready reference documents to highlight:
    - East Waste services to Constituent Councils (standard service offering).
    - East Waste standards for the public.
    - Introduction to reporting metrics that will be implemented and made available to Constituent Councils through the Power BI platform.
- Obtain Constituent Council feedback which will be collated, reviewed and implemented to enable release of the SLA documents for sign off with Constituent Councils.
- Power BI reporting operational and progress towards any additional data points initially unavailable to be commenced.
- SLAs signed and implemented.

Cost Model Development:

- Finalise workshops and proposal for Cost Model amendments for presentation to the East Waste Board with a view to obtaining approval and feedback on viable implementation dates.
- Seek approval and timing plan to engage further with Constituent Councils on impact, next steps and preparation data.
- Pause until agreed implementation period before rolling out.

Major Project for Maintenance Cost Review:

- This project is designed to explore all aspects of the East Waste maintenance spend, including, work completed inhouse vs third party support, review of systems for efficiency (maintenance software), review of procurement activities and possible creation of purchasing panels (where applicable) working with Local Government Procurement, review of data associated with specific fleet spend for improved budget setting.
- This project will run for six months and has a goal to reduce spending, generate improved reporting and improve efficiency.

Procurement Contracts:

- Recycling - planning and tender creation - well progressed, utilising LG Procurement to enable finalisation and awarding of a new contract in Quarter one of FY26/27.
- Tyres – finalised and awarded before FY26/27.

High Level Focus Area Timing Plan

Quarter One

- Recycling contract awarded and ready to commence at end of current agreement.
- Maintenance Cost Review Project continues.
- Growth Opportunity Review - minor project commences:
    - A three-month project to explore East Waste services and capability and how these services might be costed and packaged in the consideration of additional delivery opportunities.
- Charter Review commences.
- Advocacy - minor project commences:
    - This project will run throughout the year. With the commencement of the new financial year East Waste will actively engage with Constituent Councils to establish advocacy focal areas where East Waste can provide support based on subject matter expertise. For example, the opportunity to engage with Council planning departments to gain an understanding of planned growth and resource implications.
    - Topics which are currently considered likely include lithium battery safety and FOGO.

Quarter Two

- Recycling contract signed and operations active.
- Conclude Maintenance Cost project.
- Conclude Growth Opportunity Review project.
- Charter review continues.
- Digital Technology - minor project commences:
    - This project is to explore and identify technology available to improve East Waste services, reporting, education and safety.

        - Topics already identified for exploration include:
            - RFID tagging (this technology is already present in some of the collection areas).
            - AI camera integration into fleet for contamination capture.
            - Gamification applications to support education delivery.
- Annual Mayor and CEOs presentation to reflect on progress and inform the Annual Plan for 2027/2028.
- Strategic Review – major project commences:
    - A project to review the East Waste Strategic Plan to ensure it aligns with the East Waste model and our Constituent Council ambitions for East Waste. Full review and update will extend into the following financial year.
- Commence work on internal reporting cycle, with budget setting and Annual Plan preparation.

Quarter Three

- Conclude Digital Technology project.
- Conclude Charter Review.
- Prepare and present 2027/2028 Annual Plan and projects.
- Continue the Strategic Review.
- Focus on concluding internal reporting.
- Finalisation of the Annual Business Plan and Budget.

Quarter Four

- Consolidate project status, close out any delayed activities.
- Continue the Strategic Review.
- Ensure preparation for 2027-2028 Focus Areas is complete.

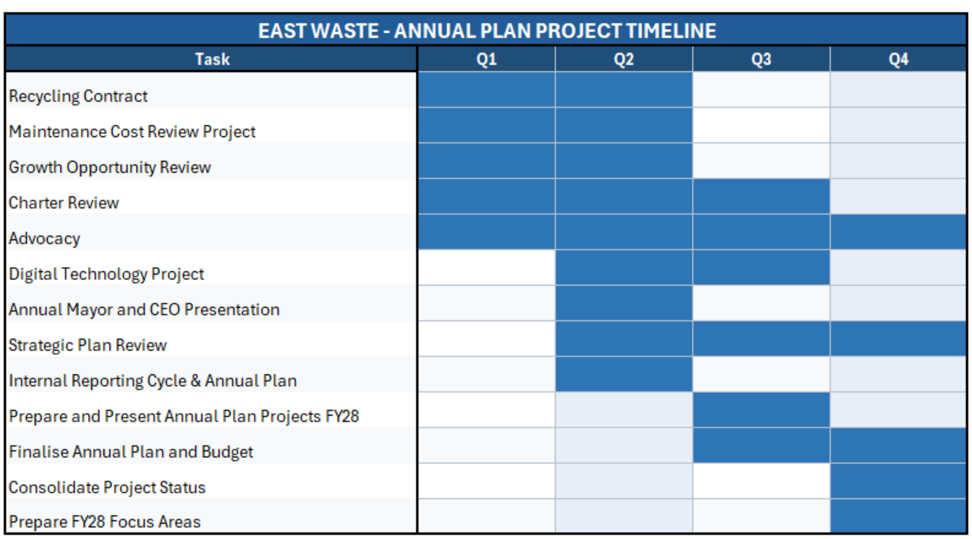

FIG. 5 East Waste Annual Plan Project Timeline

2026/2027 Annual Plan Deliverables

NO.	ACTIVITY/PROJECT	OVERVIEW	OBJECTIVE	STRATEGY	MAIN KPI/TARGET	BUDGET
DELIVER COST EFFECTIVE AND EFFICIENT SERVICES AND FACILITIES						
1.	Continue & Expand Core services	East Waste optimisation will come from working closely with Constituent Councils to ensure the existing suite of services are understood and utilised, where desired, to the maximum benefit of the Constituent Council.	Deliver cost effective and efficient services and facilities	1.1	Vision Target	Recurrent
2.	Investigate opportunities outside of existing Constituent Councils	When potential opportunities arise, East Waste will investigate service provision to non-Constituent Councils and subsidiaries where the benefit and/or the fostering of partnerships can drive value to Constituent Councils. Funding is allocated to support creation of a standardised tender approach to be utilised for service offerings.	Deliver cost effective and efficient services and facilities	1.1	Vision Target	$0.010M
3.	Review Strategic Plan	Build upon Constituent Council engagement and Service Level Agreements to review the East Waste Strategic Plan for alignment with Constituent Council ambitions and East Waste delivery targets.	Overarching strategy		Vision Target	$0.005M
4.	Fleet Maintenance Review	Undertake a review of Fleet Maintenance processes and costs to identify potential efficiency and saving opportunities.	Deliver cost effective and efficient services and facilities	1.1	Vision Target	$0.020M

5.	Review and improve digital systems for reporting and delivery	Identify first tranche of focus for reporting enhancement (Power BI) and systems requiring replacement or improvement (Gestalt).	Deliver cost effective and efficient services and facilities	1.4	Vision Target	$0.015M
6.	Workforce review	Review workforce to consider adding any new role(s) that may bring an overall benefit to Constituent Councils through improved East Waste performance.	Deliver cost effective and efficient services and facilities	1.5	Vision Target	$0.010M

MAXIMISE SOURCE SEPARATION & RECYCLING						
7.	Advance trials and rollout of weekly organics collections	Through the success of current weekly organics trials (FOGO Trials) undertaken by East Waste and more broadly across metropolitan Adelaide, East Waste will work with Constituent Councils to increase the trials/rollouts.	Maximise source separation and recycling	2.1	Demonstrable improvement in diversion rates Support an effective and informative trial	Charges allocated in alignment with cost

PROVIDE LEADING AND INNOVATIVE BEHAVIOUR CHANGE AND EDUCATION						
8.	Work with Councils to shape and enhance Education delivery	Utilising internal resources and access to specialist Contractors develop and deliver an Education program which supports Constituent Council objectives and improves resident behaviour with regard to waste diversion. Explore delivery methodologies and engagement approaches to capitalise on technology innovations and develop metrics to demonstrate penetration success.	Provide leading and innovative behaviour change and education	3.2	• Vision Target	Recurrent
9.	Continue to develop and share Carbon Reporting	Utilise carbon reporting to support Constituent Council environmental targets and factor into asset and/or operational change considerations.	Provide leading and innovative behaviour change and education	3.1	• Vision Target	$0.010M

HELP DRIVE A LOCAL CIRCULAR ECONOMY						
10.	Develop and procure high value processing contracts	East Waste on behalf of engaged Constituent Councils will procure new long-term co-mingled recycling contracts with a focus on ensuring the collected material is processed in a manner which retains and utilises the material at its highest order and so far as possible, locally.	Help drive a local circular economy	4.4	Vision Target	Recurrent

PROVIDE LEADERSHIP						
11.	Cost Model Review	Work with Constituent Councils and the East Waste Board to complete review of the existing Cost Model with beneficial changes to be put to the Board for approval and implementation timing consideration.	Provide leadership	5.4	Vision Target	Recurrent
12.	Fleet Replacement	In line with the Long-Term Financial Plan, undertake the replacement of six (6) collection vehicles.	Provide leadership	5.4	Vision Target	Capital $3.508M

Budget Management

East Waste operates its waste collection services under a Common Fleet costing methodology, ensuring that each Constituent Council is charged directly based on the proportionate time required to complete their respective collection services. This approach built on detailed reporting is used to allocate costs transparently and equitably. Minor variations in cost apportionment occur annually to reflect efficiencies, service demand changes, and operational cost fluctuations (e.g. housing infill, developments, fire ban days, and special events).

Key Budget Considerations for 2026/2027

- **Labour, fuel, and fleet maintenance** continue to be the largest operational costs, comprising approximately 80% of Common Fleet costs.
- **Labour market challenges** remain a key pressure, requiring ongoing efforts to attract and retain skilled drivers and operational staff.
- **Fuel cost volatility** continues to pose a risk.
- **Fleet replacement** is funded through external loan borrowings, ensuring East Waste maintains a modern, efficient, and environmentally responsible fleet.
- **Contracted resource processing services and bin maintenance** continue to be provided to Constituent Councils at cost price, delivering significant savings compared to traditional waste service contracts.

The budget to deliver this Annual Plan, along with all East Waste's Services and legislative requirements is detailed in the following proposed 2026/27 Financial Statements.

Financial Statements

EAST WASTE
Projected Statement of Comprehensive Income (Budgeted)
for the financial year ending 30 June 2027

	FY26 Adopted Budget $'000	FY26 BR2 $'000	FY27 Proposed Budget $'000
Income			
User Charges	28,531	28,661	29,652
Investment income	60	140	105
Grants, subsidies and contributions	-	-	-
Other	2,119	2,220	2,368
Total	**30,710**	**31,021**	**32,125**
Expenses			
Employee Costs	9,170	9,261	9,782
Materials, contracts & other expenses	17,833	18,176	18,348
Depreciation, amortisation & impairment	2,835	2,835	3,029
Finance costs	720	720	806
Total	**30,558**	**30,992**	**31,965**
Operating Surplus / (Deficit)	**152**	**29**	**160**
Asset disposals & fair value adjustments	30	30	30
Net Surplus / (Deficit)	**182**	**59**	**190**
Other Comprehensive Income	-	-	-
Total Comprehensive Income	**182**	**59**	**190**

EAST WASTE

Projected Balance Sheet (Budgeted)
for the financial year ending 30 June 2027

	FY26 Adopted Budget $'000	FY26 BR2 $'000	FY27 Proposed Budget $'000
Assets			
Current			
Cash & Cash Equivalents	2,700	2,306	2,943
Trade & Other Receivables	1,413	1,824	1,824
Inventory	63	38	38
Total	**4,176**	**4,168**	**4,805**
Non-Current			
Property, Plant & Equipment	13,973	13,911	14,514
Total	**13,973**	**13,911**	**14,514**
Total Assets	**18,149**	**18,079**	**19,319**
Liabilities			
Current			
Trade & Other Payables	1,588	1,578	1,607
Borrowings	2,285	2,285	2,285
Provisions	1,110	1,075	1,140
Total	**4,983**	**4,938**	**5,032**
Non-Current			
Borrowings	11,789	11,789	12,681
Provisions	169	125	190
Total	**11,958**	**11,914**	**12,871**
Total Liabilities	**16,941**	**16,852**	**17,902**
Net Assets	**1,208**	**1,227**	**1,417**
Equity			
Accumulated Surplus	1,208	1,227	1,417
Total Equity	**1,208**	**1,227**	**1,417**

EAST WASTE

Projected Statement of Cash Flows (Budgeted)
for the financial year ending 30 June 2027

	FY26 Adopted Budget $'000	FY26 BR2 $'000	FY27 Proposed Budget $'000
Cash Flows from Operating Activities			
Receipts			
Operating Receipts	30,650	30,881	32,020
Investment Receipts	60	140	105
Payments			
Employee costs	(9,050)	(9,141)	(9,653)
Materials, contracts & other expenses	(17,833)	(18,176)	(18,348)
Interest Payments	(697)	(697)	(777)
Net Cash Flows from Operating Activities	**3,130**	**3,007**	**3,347**
Cash Flows from Investing Activities			
Receipts			
Sale of Replaced Assets	30	30	30
Payments			
Expenditure on Renewal/Replaced Assets	(3,390)	(3,390)	(3,532)
Expenditure of New/Upgraded Assets	(135)	(135)	(100)
Net Cash Flows from Investing Activities	**(3,495)**	**(3,495)**	**(3,602)**
Cash Flow from Financing Activities			
Receipts			
Proceeds from Borrowings	3,390	3,390	3,507
Payments			
Repayment of Lease Liabilities	(168)	(168)	(185)
Repayment of Borrowings	(2,150)	(2,150)	(2,430)
Net Cash Flow from Financing Activities	**1,072**	**1,072**	**892**
Net Increase (Decrease) in cash held	**707**	**584**	**637**
Cash & cash equivalents at beginning of period	**1,993**	**1,722**	**2,306**
Cash & cash equivalents at end of period	**2,700**	**2,306**	**2,943**

EAST WASTE

Projected Statement of Changes in Equity (Budgeted)
for the financial year ending 30 June 2027

	FY26 Adopted Budget $'000	FY26 BR2 $'000	FY27 Proposed Budget $'000
Balance at Start of Period - 1 July	**1,026**	**1,168**	**1,227**
Net Surplus / (Deficit) for Year	182	59	190
Contributed Equity	-	-	-
Distribution to Councils	-	-	-
Balance at End of Period - 30 June	**1,208**	**1,227**	**1,417**

EAST WASTE

Projected Uniform Presentation of Finances (Budgeted)
for the financial year ending 30 June 2027

	FY26 Adopted Budget $'000	FY26 BR2 $'000	FY27 Proposed Budget $'000
Income			
User Charges	28,531	28,661	29,652
Investment income	60	140	105
Grants, subsidies and contributions	-	-	-
Other	2,119	2,220	2,368
	30,710	**31,021**	**32,125**
Expenses			
Employee Costs	9,170	9,261	9,782
Materials, contracts & other expenses	17,833	18,176	18,348
Depreciation, amortisation & impairment	2,835	2,835	3,029
Finance costs	720	720	806
	30,558	**30,992**	**31,965**
Operating Surplus / (Deficit)	**152**	**29**	**160**
Net Outlays on Existing Assets			
Capital Expenditure on Renewal and Replacement of Existing Assets	(3,390)	(3,390)	(3,532)
Depreciation, Amortisation and Impairment	2,835	2,835	3,029
Proceeds from Sale of Replaced Assets	30	30	30
	(525)	**(525)**	**(473)**
Net Outlays on New and Upgraded Assets			
Capital Expenditure on New and Upgraded Assets	(135)	(135)	(100)
Amounts Specifically for New and Upgraded Assets	-	-	-
Proceeds from Sale of Surplus Assets	-	-	-
	(135)	**(135)**	**(100)**
Annual Net Impact to Financing Activities (Surplus/(Deficit))	**(508)**	**(631)**	**(413)**