



ANNUAL REPORT 2009/2010

EAST WASTE

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Board of Management



Mr Paul di Iulio
Chairman
City of Campbelltown



Mr Bill Cossey
Adelaide Hills Council



Mr Mario Barone
City of Norwood,
Payneham & St Peters



Cr Elaine Grimm
City of Mitcham



Cr Peter Pavan
City of Burnside



Cr Gianni Busato
Corporation of the
Town of Walkerville

CHAIRMAN'S REPORT

This is my first report as Chairman of East Waste. The Board elected me in January this year after the resignation of Cr Justin Lang as the Chairman of East Waste and the Campbelltown Council representative. I would like to thank Justin for his commitment and excellent work during his term as Chair of East Waste.

Other changes to the Board during the year included the appointment of Mr Bill Cossey as an Independent nomination representing the Adelaide Hills Council. Mr Mario Barone, CEO of Norwood, Payneham & St Peters Council, was appointed to represent his Council. These new representatives have taken over from Mr Peter Peppin, CEO of Adelaide Hills Council, and Mayor Robert Bria, from Norwood, Payneham & St Peters. I would like to express the Board's appreciation to both these former Board Members for their contribution to East Waste.

In November last year, the General Manager of East Waste resigned and the Board appointed Trevor Hockley as the Acting General Manager. Trevor has extensive experience in Local Government waste management and the Board set a series of priorities to be implemented consistent with the Annual Business Plan of East Waste.

The Board of East Waste has worked with Member Councils and the Management of East Waste to address these priorities as summarised below:

The Charter has been reviewed and substantially agreed to by Member Councils. There are some minor drafting amendments to be made and further consultation required on the membership of the Board. The Mayors of Member Councils are working together to find a compromise so that the revised Charter can be gazetted.

An improved and fairer costing methodology for overhead cost allocation for East Waste has been approved by the Board after consultation with Member Councils. This new overhead allocation, based on proportion of direct costs, has been used in the

2010/2011 Budget, approved by the Board in June of this year.

A new policy on Hard Waste Collection has been approved by the Board. East Waste will offer an At Call Hard Waste Service to Member Councils subject to their agreement. Councils are expected to progressively access this service over the coming years rather than the traditional Hard Waste Service across the whole Council area.

The Board has worked hard to resolve the dispute between Burnside Council and East Waste regarding the cost of the split-bin service. Member Councils have now instructed the Board of East Waste to utilise the appropriate mechanism within the Charter to resolve this dispute. This strategy will see a resolution to this dispute in the New Year and hopefully East Waste can move forward with all Councils adhering to the Charter that governs the operation of East Waste.

The Board of East Waste has approved an ambitious Annual Business Plan and Budget for the 2010/2011 year that will further improve the sustainability of East Waste in providing a cost-effective kerbside collection service that meets the expectation of Member Councils and the communities they serve.

Finally, I would like to thank all the staff of East Waste for their commitment during the year. Despite a change at Senior Management level, the staff of East Waste have met the Budget set for the year and maintained a high satisfaction rating with the kerbside collection services offered to Member and Client Councils.

I commend the 2009/2010 East Waste Annual Report to you.

Paul di Iulio
Chairman

ACTING GENERAL MANAGER'S REPORT

Year in Review

I was appointed as the Acting General Manager of East Waste in January 2010. The Board had previously approved an Annual Business Plan and work was well advanced in implementing this plan.

East Waste operates 18 collection services for its Member and Client Councils. This represents collection services from over 123,000 households weekly. There is a split-bin (waste and recyclables) collection service for Burnside Council. The remaining Member Councils and our Client Council, Unley, have a combination of a weekly 140L waste collection with a 240L recyclable collection fortnightly. All Member Councils and our Client Council are also provided with a green organics collection service with the exception of Adelaide Hills Council. This Council has a large rural area and drop-off facilities are provided for green organics as a more appropriate alternative.

The East Waste Budget tracks these 18 activities and estimates the individual cost of each service to conform with the requirements in it's Charter to charge each member council the actual cost of providing these services.

It is pleasing to note that the East Waste Annual Budget projected over \$13 million of expenditure during the year requiring relatively minor adjustments to Member Council fees for the year to ensure each Member Council only pays the actual cost of their collection service.

The Unley Council, as a non-Member Client, pays a contracted rate and, from the feedback at the quarterly meetings to monitor the contract performance, both parties are happy with the provided services. This contract is a very good strategic fit for East Waste that provides economies of scale to better absorb overhead costs which benefits both Member and Client Councils.

Summary of Business Activities

Quality Accreditation

Continuous improvement is essential for any organisation including East Waste. This year further work was undertaken to achieve accreditation for AS/NZS ISO 9001:2000 – a Quality Management System. The Board formally adopted the East Waste Quality Policy earlier this year as another milestone in gaining accreditation. Already the systems being introduced are yielding benefits for East Waste and Member Councils.



Information System

The Data Management System (DMS) of East Waste has been refined so that the Customer Service staff of East Waste can better respond to enquiries from residents. Soon ratepayers will have a choice between contacting us via the Internet as well as the phone

The DMS will be used to measure agreed Key Performance Indicators (KPIs) that will be included in individual Service Level Agreements (SLAs) with Member Councils. This system will also measure the performance of our drivers to further monitor and improve our collection services. Meetings are now held quarterly with Councils and East Waste key staff to review all aspects of the actual services being delivered by East Waste to ensure they meet the standard expected by the community. East Waste remains committed to collect every bin presented at the kerbside and respond and remedy any resident collection query within 24 hours.

Occupational Health and Safety

East Waste places a very high importance on providing a safe work place for it's employees. This year has been no exception with the Local Government Association Workers Compensation Scheme rebating over \$53,000 in recognition of achieving an excellent result in minimizing lost time accidents.

Operations

The management of East Waste have reviewed the overall efficiency and cost effectiveness of its operations and proposed a capital budget for the coming

year that will see the purchase of 5 new trucks. This increase in capacity to the existing truck fleet will allow more in-house regular maintenance and reduce overtime requirements resulting in a more sustainable model for East Waste with a corresponding reduction to labour costs.

Broader Local Government Issues

East Waste as a Local Government Regional Waste Authority has a role in keeping abreast of waste issues facing it's Member Councils. During the year East Waste continued the trial of the co-collection of food waste with green organics. Member Councils have been encouraged to consider the introduction of this system to help achieve the Zero Waste SA targets in the new State Waste Strategy.

Staffing

New organisational structural changes have been put in place. The new structure makes East Waste more proactive and strategic than the reactive organisation of the past.

A special acknowledgement must go to Mr Malcolm Schulz for his 48 years of service as a driver for East Waste.



Trevor Hockley

Acting General Manager



Eastern Waste Management Authority Inc

Summary Financial Statement for the year ended 30 June 2010

	2010	2009
REVENUE	\$	\$
Collection Charges	11,881,867	9,528,576
Interest Income	13,431	27,640
Sundry Income	893,776	862,737
TOTAL REVENUE	12,789,074	10,418,953
EXPENSES		
Employee Costs	3,428,137	3,321,646
Materials, contracts & other expenses	7,203,444	4,677,433
Finance Costs	512,245	603,017
Depreciation, amortization & impairment	1,876,370	1,702,911
TOTAL EXPENSES	13,020,196	10,305,007
Surplus (Deficit) before tax equivalent	(231,122)	113,946
Income Tax Equivalent charge arising from the principle of competitive neutrality	(22,869)	(22,811)
Net gain (loss) on disposal or revaluation of assets	(24,956)	(5,610)
Net surplus (deficit) resulting from operations	(278,947)	85,525
CURRENT ASSETS		
Cash and Cash Equivalents	310,946	31,375
Trade and Other Receivables	477,042	823,686
Other	178,085	24,217
TOTAL CURRENT ASSETS	966,073	879,278
NON-CURRENT ASSETS		
Infrastructure, Property, Plant & Equipment	6,979,808	8,617,689
TOTAL NON-CURRENT ASSETS	6,979,808	8,617,689
TOTAL ASSETS	7,945,881	9,496,967
CURRENT LIABILITIES		
Trade and other payables	980,817	1,089,298
Provisions	52,247	48,557
Borrowings	1,666,504	2,405,169
TOTAL CURRENT LIABILITIES	2,699,568	3,543,024
NON-CURRENT LIABILITIES		
Provisions	153,730	145,794
Borrowings	5,688,943	6,125,562
TOTAL NON-CURRENT LIABILITIES	5,842,673	6,271,356
TOTAL LIABILITIES	8,542,241	9,814,380
NET ASSETS	(596,360)	(317,413)
EQUITY		
Accumulated Surplus (Deficit)	(596,360)	(317,413)
TOTAL EQUITY	(596,360)	(317,413)