



ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY

10 Year Strategic Plan

2007 - 2017

Sustainable Waste Management through Shared Services

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Foreword

The Adelaide Hills Region Waste Management Authority (the Authority) was formed in the early 90's as a Regional Subsidiary under the Local Government Act 1934. Its primary function was to operate the newly approved Hartley landfill.

The Authority's charter has recently been amended as required by the transitional arrangements contained in the new Local Government Act 1999 and clause 5.1 requires the Authority:

- *prepare and adopt a ten year Strategic Plan for the conduct of its business which will identify its objectives over the period of the Plan and the principal activities that the Authority intends to undertake to achieve its objectives;*
- *in consultation with the Constituent Councils review the Strategic Plan at any time but subject to a comprehensive review being undertaken at least once in every four years; and*
- *submit the Strategic Plan to the Constituent Councils for their approval.*

Management of the Authority has been mainly by Member Council officers and the operation of the Hartley landfill conducted by Monarto Quarries in accordance with an Operational Agreement between the Mt Barker Council and the Authority. With the increasing complexity of managing an organization and the higher environmental standards for landfill operation, the Board of the Authority recently commissioned a review into all aspects of the Hartley operation. This report, titled "*Hartley Landfill – Future Directions Study*", was completed in February 2007 and key recommendations contained in this report adopted by Member Councils by April/May 2007.

One of the recommendations in this report was the preparation of a 10 year strategic plan.

Trevor Hockley from *TJH Management Services Pty Ltd* was contracted in May 2007 to prepare this plan.

This plan has been formulated by the collective work of the Board, Executive Officer and senior Member Council Officers, the information gathered for the *Hartley Landfill - Future Directions Study* and the outcomes of the workshop held with all stakeholders on 14 May 2007.

The plan sets the strategic direction for the Authority from 2007 to 2017. It presents the common vision of the Authority and its Member Councils as sustainable waste management through shared services for the communities of Adelaide Hills, Alexandrina, Mt Barker and Murray Bridge.

A more detailed 3 year business plan has then been developed to guide and monitor the operations of the Authority from 2007 to 2010.

Prepared for the *Adelaide Hills Region Waste Management Authority* by
TJH Management Services Pty Ltd



December 2007

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Executive Summary

<p>Focusing on what we do well</p> <p>This 10 year Strategic Plan (the plan) sets out the future direction and priorities of the Adelaide Hills Waste Management Authority to June 2017.</p> <p>Vision The Board of the Authority has defined its vision as: <i>"Sustainable Waste Management through Shared Services for the communities of Adelaide Hills, Alexandrina, Mt Barker and Murray Bridge"</i>.</p> <p>Mission The Authority's mission is:</p> <ul style="list-style-type: none"> • <i>To meet the Zero Waste SA Resource Recovery Targets across the region where economically and environmentally justified.</i> • <i>To continue to develop and manage the Hartley landfill as an EPA compliant model regional landfill that provides the most cost effective disposal option for Member Councils and commercial customers.</i> • <i>To educate the regional community on responsible waste choices that enhance and maintain their environment.</i> <p>Objectives The Authority's vision and mission will be achieved through five key objectives.</p> <ol style="list-style-type: none"> 1. <i>To take a leadership role in resource recovery & community education.</i> 2. <i>Responsibly develop & manage the Hartley landfill to be a model regional landfill meeting all legislative requirements & operating benchmarks.</i> 3. <i>Financial sustainability in waste services for Member Councils by pursuing a shared services model.</i> 4. <i>Advocate, research & promote best practice waste management & actively represent Member Councils in all forums.</i> 5. <i>A fully compliant Regional Subsidiary that meets the highest standards in governance, financial & human resource management.</i> 	<p>The Board of the Authority has recognized the need to refocus the organization from landfill operations to positioning the Authority as a catalyst to implement the shared services model to provide best practice waste management to its Member Councils.</p> <p>The financial sustainability agenda of Local Government has identified waste management as a key area in implementing resource sharing amongst Councils.</p> <p>The planning process was commenced with the commissioning of the <i>Hartley Landfill - Future Directions Study</i>. This report has gained acceptance among Member Councils and the Board is well advanced in implementing the recommendations from the report. This plan follows on from the report and provides the foundation for the future of the Authority.</p> <p>The planning process has involved all stakeholders and consisted of:</p> <ul style="list-style-type: none"> • A workshop with the Board and officers of Member Councils • A review of the planning framework that governs the operation of the Authority • A SWOT analysis of the Authority's current situation. <p>The Authority is concentrating on promoting and educating the Member Council communities on responsible waste management. An emphasis will be placed on reaching the children to directly influence the behaviour of the whole community.</p>	<p>The Hartley landfill will be continually improved to become a model regional landfill. Resource recovery initiatives will be introduced at the site and performance benchmarks will be met.</p> <p>The Authority will be financially sustainable and ensure that Member Council charges are competitive. The Authority will add value to Member Councils and reduce costs by pursuing the delivery of waste services collectively on behalf of all Member Councils.</p> <p>The Board and management will maintain the highest standards in governance and probity.</p> <p>The Authority will actively engage with all stakeholders on Local Government issues within waste management. It will provide information and advice to its Member Councils on worldwide trends in waste management technology.</p> <p>The Board will introduce systems to ensure that the Regional Subsidiary remains compliant with all legislation and achieves the highest standards in management and governance required of a Local Government Regional Subsidiary.</p> <p>For the plan to be implemented successfully all four Member Councils will need a spirit of goodwill and cooperation.</p> <p>The Authority has taken the opportunity to add value to Member Councils by committing to a shared services' approach in meeting the challenge of managing the community's waste over the next 10 years.</p>
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Planning Context

ZERO WASTE SA (ZWSA)

ZWSA, created in February 2004, is the State Government Agency dedicated to working with the community, Local Government and the recycling and waste disposal industries to develop integrated strategies to reduce waste.

The ZWSA vision is to *achieve Zero Waste* and its mission is to *change the direction of waste management in South Australia to one that meets both the preferred approach of the waste management hierarchy and the principles of ecologically sustainable development.*

The five year strategy is focused on five key objectives:

1. Encourage more sustainable community behaviour of recycling or reuse of materials by actions rather than information.
2. Increase diversion from landfill by redirecting materials towards more beneficial uses.
3. Establish, maintain and increase the capacity of recycling systems to divert materials and for reprocessing infrastructure to be available.
4. Establish effective policy instruments – economic, regulatory and other policy measures to encourage avoidance, reduction, reuse and recycling of waste.
5. Stakeholders' engagement and support to achieve the goals and targets.

Six target areas of the Waste Strategy include:

1. Municipal solid waste (MSW).
2. Commercial and industrial (C&I).
3. Construction and demolition (C&D).
4. Litter and illegal dumping.
5. Hazardous waste and liquid waste.
6. Waste transfer and landfill disposal and storage.

Targets have been embedded in the strategy and milestones set (see p.6).

ENVIRONMENT PROTECTION AUTHORITY (EPA)

The EPA has statutory responsibility for managing the environmental impacts of waste in SA, and to minimize adverse effects on human health and the environment through the *Environment Protection Act 1993*. The objectives of the Act are to provide guidance on the role and responsibilities of the EPA and make reference to waste minimization and the regulation of the generation, storage, transportation, treatment and disposal of waste and the prevention and minimization of environmental harm. The general environmental duty, licensing of waste management activities and regulatory tools provided with the Act are all relevant and influence waste management.

The EPA has recently approved EPA Guidelines, *Environmental management of landfill facilities (municipal solid waste and commercial and industrial general waste January 2007*, http://www.epa.sa.gov.au/pdfs/guide_landfill.pdf).

These guidelines set the operating standards for the ongoing operation and closure of all licensed waste depots/landfills throughout the State. All landfills are classified and must be operated in accordance with the guidelines with transitional timelines to meet the standards.

The Hartley landfill already meets the EPA Guidelines and can provide a long term cost effective disposal option for Member Councils.

ADELAIDE HILLS REGION WASTE MANAGEMENT AUTHORITY (AHRWMA) & MEMBER COUNCILS

Local Government in SA conducted an independent inquiry into financial sustainability. This report emphasized the need for Councils to focus on efficiencies including exploring further resource sharing opportunities. Councils have prioritized the need to share resources and services in waste management. This was further reinforced by the State Government decision to more than double the EPA Solid Waste Levy from 1 July 2007.

Given the ZWSA State Strategy the policies and legislative framework of the EPA and the need for Local Government to focus on shared services the Authority is in the position to maximize the opportunities that the Regional Subsidiary model provides for its Member Councils.

As an operating Regional Subsidiary, the Authority can add value for its Member Councils by building on the forward thinking demonstrated by the formation of the Regional Subsidiary to own and operate a landfill with a life in excess of 20 – 30 years.

The legislative framework and EPA Guidelines make it much harder for new landfills to gain development consent and present the Member Councils and the Authority with an opportunity to effectively manage their residual waste stream until a better technology emerges.

Planning Context *(contd)*

ZERO WASTE SA MILESTONE TARGETS

	By 2005	By 2007	By 2010
MSW	At least 25% of all material presented at the kerbside is recycled.	50% of all material presented at the kerbside is recycled.	75% of all material presented at the kerbside is recycled (if food waste is included).
C&I	5% increase in recovery and use of C&I materials.	15% increase in recovery and use of C&I materials.	30% increase in recovery and use of C&I materials.
C&D	20% increase in recovery and use of C&D materials.	35% increase in recovery and use of C&D materials.	50% increase in recovery and use of C&D materials.

Roles and relationships for waste management in South Australia

EPA South Australia

Regulation and enforcement, education, policy and market-based instruments to regulate environmental risk

Zero Waste SA

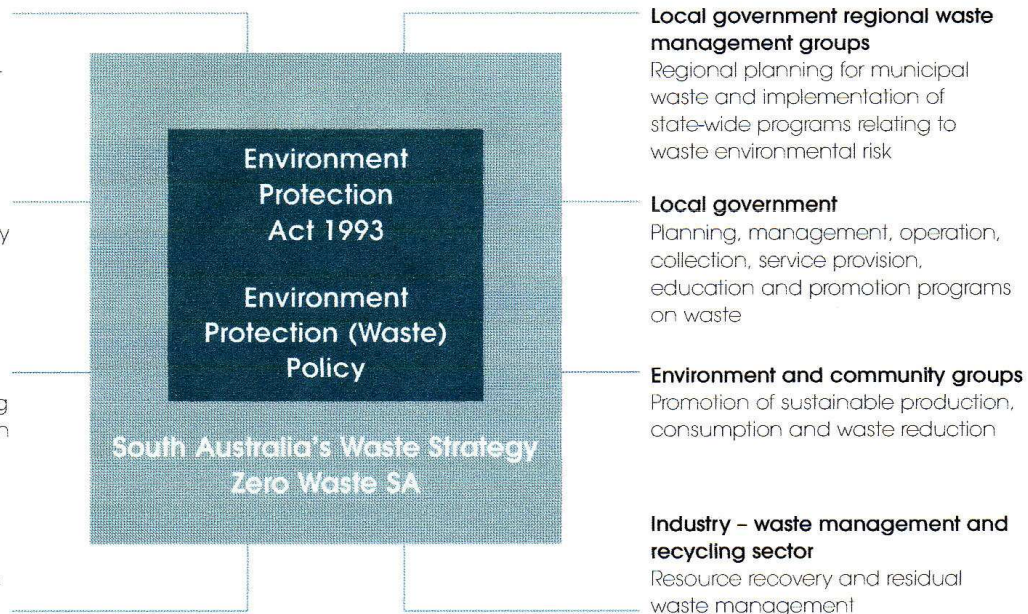
Development of Waste Strategy for SA and facilitation of statewide programs on waste

Broader State Government

Leading by example, Greening of Government and education

Industry – waste generators

Increased responsibility for products across their lifecycles and for wastes generated



Local government regional waste management groups

Regional planning for municipal waste and implementation of state-wide programs relating to waste environmental risk

Local government

Planning, management, operation, collection, service provision, education and promotion programs on waste

Environment and community groups

Promotion of sustainable production, consumption and waste reduction

Industry – waste management and recycling sector

Resource recovery and residual waste management

Source: South Australian Waste Strategy 2005-2010

Adelaide Hills Regional Waste Management Authority's Position in 2007

"Things within our control – opportunities we can take, risks we can manage"

	Advantages and opportunities	Barriers and threats
Hartley landfill operation	<ul style="list-style-type: none"> • The synergies of operating Hartley in conjunction with Monarto Quarries' operation. • Conformance with new EPA Landfill Guidelines. • The barrier to entry of new landfills. • The consolidation of landfills in regional SA. • The beneficial use of sludge from STED's schemes. • Purchase/compulsory acquisition of site from land owner. 	<ul style="list-style-type: none"> • Competing landfills, current and future. • Remoteness of the Hartley site. • Loss of tonnage from commercial customers. • Resolution by Mt Barker Council to terminate Operations Agreement. • Relations with land owner. • Amenity impacts from landfill operation. • Operational benchmarks being met, eg, compaction. • Access to existing infrastructure owned by Monarto Quarries, eg, weighbridge operation. • Management expertise (operational and general). • No assets owned by the Authority.
Governance and management	<ul style="list-style-type: none"> • Potential for shared services and management expertise between other Regional Subsidiaries. • Member Councils committed to the Regional Subsidiary. • Regional Subsidiary in place and working, providing the opportunity for: <ul style="list-style-type: none"> ○ <i>Resource sharing.</i> ○ <i>Economies of scale.</i> ○ <i>Coordination of waste services for Member Councils.</i> ○ <i>Advocacy on behalf of Member Councils.</i> ○ <i>Promotion, education and research.</i> 	<ul style="list-style-type: none"> • Charter: <ul style="list-style-type: none"> ○ <i>Councils able to be a Member of the Authority with full rights but choose not to use or accept any liability for the Hartley landfill.</i> • Potential for conflict of interest between Member Councils. • Information, understanding and ownership of the Authority by Member Council Elected Members.
Financial management	<ul style="list-style-type: none"> • Adequate financial reserves. • Member Councils committed to sustainable gate rates. 	<ul style="list-style-type: none"> • Outsourcing of financial management to Mt Barker without formal agreement. • No real time reporting system for monitoring performance to budget and operational benchmarks.

Adelaide Hills Regional Waste Management Authority's Position in 2007 *(contd)*

"Things within our control – opportunities we can take, risks we can manage"

	Advantages and opportunities	Barriers and threats
Shared waste services	<ul style="list-style-type: none"> • Coordinate waste management education for Member Councils to maximize resources. • Coordinate and standardize collection services for Member Councils to reduce overall cost. • Coordinate waste transfer station operations and transportation to reduce overall costs. • Undertake research and promotion in waste management on behalf of and for Member Councils. • Undertake capital intensive projects on behalf of Member Councils. • Investigate construction and demolition recycling and other shared services opportunities. 	<ul style="list-style-type: none"> • Coordination and commitment of Member Councils. • Retention of management and operational expertise within the Authority. • Political sensitivity by private sector competitors. • Funding and resources for shared services initiatives including education.

Adelaide Hills Region Waste Management Authority's Priorities for the Future

The Adelaide Hills Region Waste Management Authority VISION is:

"Sustainable waste management through shared services for the communities of Adelaide Hills, Alexandrina, Mt Barker and Murray Bridge."

The Adelaide Hills Region Waste Management Authority MISSION is:

- ***To meet the Zero Waste SA Resource Recovery Targets across the region where economically and environmentally justified.***
- ***To continue to develop and manage the Hartley landfill as an EPA compliant model regional landfill that provides the most cost effective disposal option for Member Councils and commercial customers.***
- ***To educate the regional community on responsible waste choices that enhance and maintain their environment.***

Adelaide Hills Region Waste Management Authority's Objectives and Strategies

"The plan has a statement of ultimate aims – what it is trying to achieve in the long term for the Authority"

The objectives of the Authority	Strategies for the Authority	Strategies for the Authority (<i>contd</i>)
<p>This plan has identified 5 key objectives that will together deliver the vision of this plan - <i>Sustainable Waste Management through Shared Services for the communities of Adelaide Hills, Alexandrina, Mt Barker and Murray Bridge.</i></p> <ol style="list-style-type: none"> 1. To take a leadership role in resource recovery and community education. 2. Responsibly develop and manage the Hartley landfill to be a model regional landfill meeting all legislative requirements and operating benchmarks. 3. Financial sustainability in waste services for Member Councils by pursuing a shared services model. 4. Advocate, research and promote best practice waste management and actively represent Member Councils in all forums. 5. A fully compliant Regional Subsidiary that meets the highest standards in governance, financial and human resource management. 	<p>1. To take a leadership role in resource recovery and community education.</p> <p>The aim To create a community understanding of the need to preserve precious resources and to provide convenient systems to assist in meeting resource recovery benchmarks for the region.</p> <p>The strategies</p> <p>Education & Promotion</p> <ol style="list-style-type: none"> 1.1 Coordinate an education program for children across the region. 1.2 Educate the community on responsible waste management practices and reinforce the urgent need to minimize wasteful practices. <p>Resource Recovery</p> <ol style="list-style-type: none"> 1.3 Justify the extent to which the region can adopt the ZWSA waste targets across the rural and township communities. 	<p>2. Responsibly develop and manage the Hartley landfill to be a model regional landfill meeting all legislative requirements and operating benchmarks.</p> <p>The aim To maximize the performance of the Hartley landfill by minimizing costs to Member Councils while managing environmental and legislative risks.</p> <p>The strategies</p> <p>Marketing</p> <ol style="list-style-type: none"> 2.1 Identify additional residual waste for the Hartley landfill. <p>Hartley landfill</p> <ol style="list-style-type: none"> 2.2 Ensure compliance with the EPA licence. 2.3 Investigate resource recovery opportunities within the operation of the Hartley landfill. 2.4 Continually improve the operational performance of the Hartley landfill.

<p>Strategies for the Authority (contd)</p> <p>3. Financial sustainability in waste services for Member Councils by pursuing a shared services model.</p> <p>The aim To gain economies of scale to minimize cost for Member Councils in the provision of all waste services.</p> <p>The strategies</p> <p>Kerbside Collection services Evaluate the integration and coordination of kerbside collection services for all Member Councils to reduce overall costs.</p> <p>Infrastructure Undertake forward planning so that essential future waste infrastructure is in place across the region. Develop the best management and operational model for the existing waste transfer station network throughout the region.</p>	<p>Strategies for the Authority (contd)</p> <p>4. Advocate, research and promote best practice waste management and actively represent Member Councils in all forums.</p> <p>The aim The Authority must be fully across advances in waste technology and actively represent the views of Member Councils at all levels of Government and industry.</p> <p>The strategies</p> <p>Research 4.1 Continually monitor advances in the latest developments in waste management nationally and internationally.</p> <p>Representation 4.2 Faithfully represent the views of Member Councils, the region, Local Government, on waste management issues to all stakeholders.</p>	<p>Strategies for the Authority (contd)</p> <p>5. A fully compliant Regional Subsidiary that meets the highest standards in governance, financial and human resource management.</p> <p>The aim To achieve the highest standards of governance and management for the Authority.</p> <p>The strategies</p> <p>Management systems Evolve a system of continuous review and monitoring of conformance in:</p> <ul style="list-style-type: none"> • Governance • Legislative compliance • Human resource management • Project/contract management • Procurement • Occupational Health & Safety • Risk management.
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Resourcing the Plan

Adelaide Hills Regional Waste Management Authority Business Plan 2008-2017	Projected Yr-end 30/06/2008	30-June-2009	30-June-2010	30-June-2011	30-June-2012	30-June-2013	30-June-2014	30-June-2015	30-June-2016	30-June-2017
Income										
Total Income	1,593,500	1,715,920	1,781,360	1,822,240	1,897,360	1,975,100	2,055,860	2,139,760	2,246,680	2,316,940
Expenses										
Total Expenses	1,528,100	1,685,803	1,546,319	1,535,481	1,715,761	1,963,789	1,694,402	1,861,650	1,782,542	1,747,785
Net Profit / (Loss)	65,400	30,117	235,041	286,759	181,599	11,311	361,458	278,110	464,138	569,155
CASH FLOW STATEMENT										
Cash Flow from Operating Activities										
Receipts										
Operating receipts	1,548,000	1,690,920	1,755,860	1,796,240	1,870,860	1,948,100	2,028,360	2,111,660	2,197,980	2,287,640
Investment receipts	45,500	25,000	25,500	26,000	26,500	27,000	27,500	28,100	28,700	29,300
Payments										
Operating payments to suppliers & employees	-1,060,500	-1,185,599	-1,278,370	-1,304,741	-1,385,922	-1,404,886	-1,448,099	-1,480,348	-1,525,440	-1,566,282
Finance payments	-24,000	-18,904	-13,509	-7,746	-1,590	0	0	0	0	0
Adjustment										
Net cash provided by (or used in) Operating Activities	509,000	511,417	489,481	509,753	509,848	570,214	607,761	659,412	701,240	750,658
Cash Flow from Investing Activities										
Receipts										
Grants new or upgraded assets										
Sale of replaced assets					170,000				140,000	50,000
Payments										
Expenditure on renewal/replacement of assets										
Expenditure on new/upgraded assets					-5,000			-5,000	-5,000	
Plant & Equipment	-9,318	-5,000								
Litter Tent	-31,077									
Weighbridge receipting system	-2,601	-20,000								
Landfill Compactor	-155,000				-200,000					-200,000
Excavator	-238,200	-7,000			-226,000				-245,000	
Side wall clay liner cell 5										
Clay cap cell 5a and 5b			-180,000	-180,000			-180,000	-180,000		
Construction cell 6a and 6b		-400,000	-100,000			-312,000	-50,000			
Net cash provided by (or used in) Investing Activities	-436,196	-432,000	-280,000	-180,000	-261,000	-312,000	-230,000	-185,000	-110,000	-150,000
Cash Flow from Financing Activities										
Receipts										
Proceeds from Borrowings										
Payments										
Repayments of Borrowings	-74,152	-79,203	-84,599	-90,362	-47,464					
Repayment other	-157,075									
Net cash provided by (or used in) Financing Activities	-231,227	-79,203	-84,599	-90,362	-47,464	0	0	0	0	0
Net Increase (Decrease) in cash held	-158,423	214	124,883	239,392	201,384	258,214	377,761	474,412	591,240	600,658
Cash & cash equivalents at beginning of period	640,484	482,061	482,275	607,158	846,549	1,047,933	1,306,147	1,683,909	2,158,321	2,749,562
Cash & cash equivalents at end of period	482,061	482,275	607,158	846,549	1,047,933	1,306,147	1,683,909	2,158,321	2,749,562	3,350,220
BALANCE SHEET										
Assets										
cash at bank	482,061	482,275	607,158	846,549	1,047,933	1,306,147	1,683,909	2,158,321	2,749,562	3,350,220
Site & Equipment-AHRWMA	1,606,870	1,595,270	1,213,970	959,529	1,457,015	1,440,767	931,864	1,190,561	939,258	825,656
Depreciation & Amortisation	443,600	481,300	254,440	222,994	328,248	558,903	246,303	381,303	257,103	181,503
Other Assets	282,395	282,395	282,395	282,395	282,395	282,395	282,395	282,395	282,395	282,395
	1,927,726	1,878,640	1,849,082	1,865,480	2,459,095	2,470,407	2,651,865	3,249,975	3,714,112	4,276,767
Liabilities										
Other Liabilities	103,618	103,618	103,618	103,618	103,618	103,618	103,618	103,618	103,618	103,618
Contingent Liabilities - Capping & Postclosure	1,035,500	1,035,500	855,500	675,500	1,175,500	1,175,500	995,500	1,315,500	1,315,500	1,315,500
Loan-LGFA	301,627	222,424	137,825	47,464	0	0	0	0	0	0
	1,440,745	1,361,542	1,096,943	826,582	1,279,118	1,279,118	1,099,118	1,419,118	1,419,118	1,419,118
Nett Assets	486,981	517,098	752,139	1,038,898	1,179,977	1,191,289	1,552,747	1,830,857	2,294,994	2,857,650
Equity										
Retained profit/loss	486,995	517,098	752,139	1,038,898	1,220,497	1,231,809	1,593,267	1,871,377	2,335,514	2,904,670

The financial summary is based on the current cost structure and fee structure for the Authority and is mainly related to the operation of the Hartley landfill. The Board may need to consider additional resources when implementing region-wide programs contained within this plan.

Implementing the Plan

This plan has been prepared by the Board of the Adelaide Hills Region Waste Management Authority.

The plan articulates the vision of the Authority as ***"Sustainable Waste Management through Shared Services"***.

For the Authority to be successful in achieving the vision and mission of this plan all stakeholders must have ownership and commitment to this 10 year Strategic Plan.

The implementation of the plan will require goodwill and cooperation across the four Member Councils to achieve the five key objectives.

A more detailed 3 year business plan has also been written that concentrates on the specific actions required to meet the objectives with timeframes and measurable outcomes allowing the Board to monitor the progress of the Authority in meeting its Strategic Plan.

This business plan will be reviewed and updated annually so that it can remain a dynamic and relevant document responding to a constantly changing waste management environment.

The 10 year Strategic Plan will also be reviewed at least once every four years.

The Board of the Authority presents this 10 year Strategic Plan for approval by Member Councils and would welcome any feedback on the plan.