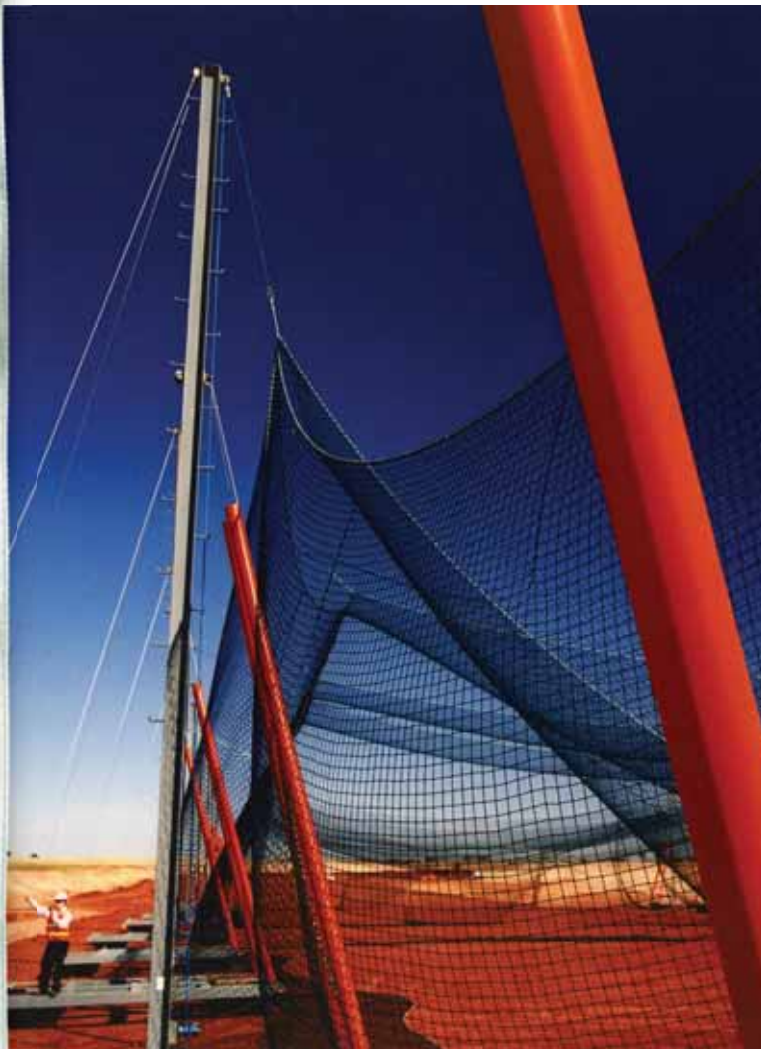


Deloitte/Management magazine Company of the Year

# Waste Management

CONSISTENT PERFORMANCE



**W**hen Waste Management won the Deloitte/Management Company of the Year award back in 1996, *Management's* then editor Carroll du Chateau sang its praises for its “dazzling” attitude to planning, environmental imperatives, profit and the development of its people.

The waste services specialist is once again back at the top of the heap, having spent the past four years successfully transforming itself into a substantial player on both sides of the Tasman. The move was sparked by the withdrawal five years ago of then majority shareholder Waste Management Inc USA. In clear and present danger of outgrowing its market, the New Zealand company faced the choice of either branching out into new areas of expertise or of taking its existing know-how to a new geographical market. To quote managing director Kim Ellis, it chose the latter.

Now proudly footing it as an Australasian company, with listings on both the New Zealand and Australian stock exchanges, Waste Management has been reaping the benefits of a booming construction sector, rising landfill prices and a strong home market position. Net profits climbed 38 percent to \$25.6 million for calendar year 2004 with revenue breaking through the \$200 million barrier for the first time in the company's history – rising 17 percent to \$213 million.

The company's deliberately cautious and low-key approach to the tough and, at times, unpredictable Australian market is paying off. Business across the ditch now accounts for about one fifth of Waste Management's income as the company has slowly built up a base of around 15 small to medium-sized strategic acquisitions in Brisbane, Melbourne, Queensland and Albury in New South Wales.

Dating back to the initial investments in Barkoola Environmental (Brisbane) and Hines Waste Technology (Melbourne) in 2001, these acquisitions include seven milestone investments last year and the opening in January 2005 of the Inkerman Landfill

## GAIN CONTROL OF YOUR

– one of South Australia's largest such facilities – and the associated Wingfield Transfer Station.

Collectively representing some A\$80 million worth of investment, these current footholds in the Australian market are expected to be joined by others as Waste Management continues its search for more opportunities. Announcing the 2004 results, chairman Jim Syme said there could be no doubt that Australia represents the greatest growth potential and that the company was well on its way to achieving its often-stated objective of 25 percent EBITDA (earnings before interest, taxes, depreciation and amortisation) from the Australian market.

This year's Top 200 judges praised Waste Management's consistently strong performance and cited it as a prime example of a New Zealand company that has managed the move into an offshore market. "It has also shown noteworthy consistency and stability among its top management team," they said.

Now New Zealand's largest waste management and resource recovery company, it employs over 870 people on both sides of the Tasman and runs a fleet of over 400 vehicles. Most importantly, the company now has the scope and depth of capabilities to take advantage of opportunities in a broad range of activities including fleet design and operations, landfill gas to energy, landfill development and operations, liquid waste transport and treatment, site remediation, and organic/inorganic processing and marketing.

As a founding member of the New Zealand Business Council for Sustainable Development, Waste Management sees its role as helping change the mindshift from waste disposal to resource recovery on the road towards improved eco-efficiency and a more sustainable future.

Resource recovery, it says, is an "exciting and challenging emerging market" with plenty of upside growth.

And in accepting that challenge the company has set out on a journey to provide a "holistic" service to customers with a view to integrating their waste management needs. Waste Management is among a growing number of New Zealand companies documenting its activities in an annual environmental and social report.

Few critics would dare rubbish the company now. **M**

## JUDGES' COMMENTS

### WINNER WASTE MANAGEMENT

They have been doing great things with garbage at Waste Management for 20 years now. This company, which was named Top 200 Company of the Year back in 1996, has delivered around 20 percent compound revenue growth each year since it first listed 20 years ago. That is a heap of achievement. Waste Management is one of New Zealand's most consistent and well-managed businesses to emerge in the past two decades. It operates in a critically important sector of the economy, is a leader in governance and management excellence and long ago embraced enlightened social and environment standards. Now it is looking beyond New Zealand. The company understood the threats posed by outgrowing its home market and has successfully moved offshore – first stop Australia. A model enterprise.

### FINALISTS FISHER & PAYKEL HEALTHCARE

The judges took the pulse of Fisher & Paykel Healthcare and once again found a company in great heart. This technology and innovation-driven enterprise is playing in one of the toughest world arenas and winning. F&P Healthcare is focused on its research and development, its world-class manufacturing standards and on building strategic partnerships in key markets. It also focuses on its people. At the same time it has successfully managed the transition from a strongly family-involved to a fully professional global enterprise. F&P doesn't have a monopoly in anything it does, it just does it well and successfully competes. A great result from a company that's in great shape.

### FLETCHER BUILDING

This year's nomination for Top 200 Company of the Year makes it three in a row for Fletcher Building. Fletcher Building is simply an outstanding enterprise that is inspirationally led. It has good people in all key management positions which, given the vertically integrated nature of the business, is critical. The team consistently knocks out top-shelf results. Fletcher Building has cleverly capitalised on New Zealand's sustained period of economic growth but, say the judges, none of this detracts from the company's record of achievement. This is a strong New Zealand business that is increasingly making its presence felt in markets offshore, particularly Australia.

# BUDGET PROCESS

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