VISION FOR WASTE MANAGEMENT IN THE METROPOLITAN AREA
There is broad agreement in the Local Government sector that there is a need for change to how waste in the metropolitan area is governed. The change required includes a greater role for the State Government in providing an integrated waste management system, as well as the need for consolidation, improved governance and greater direction for Regional Councils.

The structures we currently have in place have delivered kerbside and verge collection services which are consistently well rated by the community. However if we are to reach the targets set in the Waste Strategy for municipal solid waste diversion from landfill (50% by 2015 and 65% by 2020) and provide the modern infrastructure needed to cope with projected waste generation, a more coordinated approach is needed.
Local Government Recommended Model for Waste Management in the Metropolitan Area

Governance and Roles

Greater role for the State Government, to include an independent and strengthened Waste Authority which will:
- Coordinate research on technology
- Coordinate public education
- Develop a metropolitan wide statutory plan for waste management (with Regional Delivery Plans to be developed by Regional Councils) and
- Approve Regional Delivery Plans.

Regional Council Consolidation:
- Reduce the number of Regional Councils from five to three
- Regional Council Governance
- Compulsory Local Government membership
- Ability to operate on a commercial basis
- Geographically based boundaries
- Ability to appoint skills based members of the Regional Council and
- Provide mandatory and discretionary services.

Regional Council role:
- Develop and deliver Regional Delivery Plan compatible with Waste Authority metropolitan wide plan for waste management.

Integrated Waste Management System

An integrated waste management system includes provision for all elements of the waste hierarchy, from waste avoidance to landfill.

An assessment of the validity of an aspirational ‘zero waste’ outcome is required.

Any integrated waste management system to include a range of approaches to funding the delivery of State Waste Strategy Targets, including direct funding through the Levy and Extended Producer Responsibility approaches and

A review of the appropriateness of ‘landfill diversion’ as the best benchmark of performance is also required.
The Robson Review of Local Government in the metropolitan area had several recommendations in relation to waste management. To ensure the best outcomes for the community and the environment, a WALGA Working Group (including Regional Councils, the Forum of Regional Councils, the Waste Authority and Local Government members) has been established to put together an approach to improve waste management in the metropolitan area.
This Paper has been developed based on discussions by the WALGA Working Group. The aim of the Paper is to identify a future governance structure for waste management in the metropolitan area which will facilitate the delivery of the State Waste Strategy targets in a timely and cost effective manner. The Paper also identifies the high degree of agreement between all of the Local and State Government entities who are most concerned with waste management.

Local Government and Regional Councils have invested heavily in providing waste management solutions for the community, and waste management collection services consistently rate well in surveys on services delivered by the sector. Regional Councils, on behalf of their members, have developed – or are developing – alternative waste treatment (AWT) options. These options are substantially more expensive than landfill and these costs are causing tensions within the Regional Councils and their member Local Governments.

The ability of individual Local Governments to withdraw from Regional Councils represents a significant risk to the ongoing financial viability of both AWT’s and the Regional Councils, and this uncertainty will undoubtedly inhibit the development of further infrastructure whether it be a public private partnership, take and pay or other contractual approach.

Until relatively recently there has been a fairly limited role by State Government in waste management. The Western Australian Waste Strategy: ‘Creating the Right Environment’ was released in March 2012 and sets clear targets and direction for waste management in the municipal, commercial & industrial and construction & demolition waste streams. This is the first strategy to be developed, as a requirement, under the Waste Avoidance and Resource Recovery (WARR) Act 2007. The targets for municipal waste are 50% diversion from landfill by 2015 and 65% by 2020. As of 2012, the diversion rate, in the metropolitan area was 37%; with recovery rates for Local Governments varying from 15% to 55%.

This Strategy was developed by the Waste Authority – the statutory advisory body for waste management, also established under the WARR Act 2007. The Strategy has taken some time to develop, and preceding its development there was very little guidance from the State Government regarding expectations for waste management.

Regional Councils have developed various AWT facilities which are either managed by the Regional Councils or through an arrangement with a commercial operator. As these facilities were developed at different times, with limited oversight and coordination from State Government, coupled with varying Local Government constraints, the selected technologies, contractual approaches and risk profiles are markedly different. Local Government is of the opinion that there is now a greater expectation and role for State Government – through the Waste Authority – in waste management.

Until recently, waste was not really considered in the planning system; the Municipal Waste Advisory Council and Forum of Regional Councils have been driving forces in the ongoing activities to ensure that waste is included in future plans for the metropolitan area. Waste management services are sometimes referred to as ‘essential services’ which Local Governments deliver.

What this means is that the service should be “considered a priority in strategic planning and is ultimately protected from disruption from outside sources such as national and man-made disasters, market failures, economic pressures, community complaint and mismanagement”\(^1\).

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\(^1\) MWAC, 2010, Position Paper: Is Waste Management an Essential Service?
Rather than just change for change’s sake, we need to be very clear about the outcomes we are seeking from changes – particularly the metropolitan wide coordination of waste management – an alternative way to look at this would be, what does success look like?

Critical success factors identified by the Working Group included:

- Practical commitment to the Waste Hierarchy from the State Government
- Improved waste diversion to meet State Waste Strategy Targets
- Improvement in effective resource recovery
- Implementation of Extended Producer Responsibility Schemes by the State and/or Federal Government
- Cost effective service for ratepayers
- Greater hypothecation of the Landfill Levy to provision of waste infrastructure and management
- Metropolitan wide coordination of waste management
- Certainty for the operating environment – next five to 20 years – to enable investment in infrastructure;
- Utilisation of extensive Local Government expertise in this area
- Optimisation of existing infrastructure and resources
- Standardisation of collection systems to maximise efficiency of service delivery and education
- Avoidance of infrastructure and resources duplication and
- Ensuring Local Governments who have already invested in infrastructure to meet State Government targets are not disadvantaged by the changes.

To achieve these outcomes, Local Government must clearly determine where the sector is best placed to add value to waste management activities – and where the State Government should take the primary role and responsibility.
State Government Role – what is the proper level of State Government control?

Local Government acknowledges and welcomes an increased level of State Government involvement in waste management and considers this would be best provided through an independent and strengthened Waste Authority.

Currently the Waste Authority, while being statutory in nature, is only an advisory body. This means the Authority has limited power to act and expend funds without reference to the Minister. In addition the Authority is housed within the Department of Environment and Conservation. This service arrangement is a cause of potential confusion and a perceived conflict of interest.

Local Government supports an independent and strengthened Waste Authority as a separate entity with sufficient statutory power to implement a metropolitan wide approach to waste management. To ensure the Waste Authority has sufficient access to Local Government and Regional Council expertise it is suggested that an independent Waste Authority establish Committees to provide a vehicle for engagement with the Regional Councils, Local Government and other relevant organisations. The Committee focusing on municipal waste would be a key mechanism for Regional Council and Local Government input into the direction and approaches used by the Waste Authority. To facilitate a partnership approach Local Government/Regional Councils and the Waste Authority should have equal representation on the Committee.

State Government Role – what is the role of State Government in waste management?

The role of the independent Waste Authority would be, in part, to coordinate a metropolitan wide approach to waste. This would be achieved through the development of a metropolitan wide, statutory plan for waste management. This Plan would provide clear direction for the Regional Councils, who would be required to develop Regional Delivery Plans, identifying the actions necessary to meet the requirements of the metropolitan wide statutory plans. These plans would be approved by the Waste Authority to ensure the actions of the Regional Delivery Plan accords with the metropolitan statutory waste management plan.

The Authority would also be responsible for coordinating research on waste technology and public education, and policy development in consultation with stakeholders. Local Government does not see the role of the State Government to be the operation of waste management facilities or the MSW supply chain. Currently the expertise in these areas rests in Local Government and the private sector. The suggestion of the establishment of Committees, identified in the previous section, is to ensure this expertise is utilised.

Regional Council Consolidation – how many Regional Councils do we need?

Regional Councils, and their member Local Governments, have multimillion dollar investments in waste processing. Changes to governance need to ensure that these investments are used wisely and to the benefit of the entire metropolitan area, but those communities that have invested still retain equitable ownership, involvement and benefit.

The current membership of Regional Councils has evolved over time and has resulted in a situation where member Councils are not necessarily in the same geographic area. Local Government contends that there is a need for a strong geographic basis for Regional Councils, and that the optimal configuration will take into account strategic and logistic considerations.

Local Government considers that a fewer number of Regional Councils, would be beneficial; the suggested approach is reduce the current five Regional Councils to three. These Regional Councils would be northern, southern and eastern areas.

Three Regional Councils are suggested to:

- Ensure involvement of communities which have provided the significant investment in the development of AWT
- Provide for synergies between collection and treatment
- Retain the considerable skills sets and experience in the area and
- Ensure a smoother transition to a new structure, as the current structures and legal arrangements are complex.

This approach is suggested as it was considered that a straight transition from five Regional Councils to one could be a very complex operation and that three Regional Councils would ultimately ensure a better outcome.
Regional Council Governance – what changes to the Governance of Regional Councils are needed?

The governing board of a Regional Council is currently made up of Councillors from its member Local Governments. The number of representatives from each member Local Government varies, dependent on the Regional Council establishment agreement. Elected members appointed to the Regional Councils possess varying degrees of knowledge regarding waste management which may not include an in depth technical and business understanding is necessary to oversee these multimillion dollar businesses.

An alternative approach is to include on Regional Councils an independent person(s) with relevant skills and expertise. However, given the significant investment of Local Governments in the facilities developed by Regional Councils, it is imperative that Local Government retain majority membership of the Regional Council.

Several options have been proposed, for example Council Controlled Organisations or Regional Subsidiaries. These options would require amendments to the Local Government Act, but would allow these entities to act in a commercial role, with elected member involvement, but based on the concept of a skills based Board. This would ensure that the relevant business skills were present on the Regional Council while maintaining the vital link to the community representation role. The appointment of members to the Board could be undertaken in a range of ways.

Regional Council Scope – what services should the Regional Council provide?

Currently Regional Councils provide a range of services, with some focusing solely on waste management activities and others including a range of other service offerings, such as regional development. All services are intended to provide value to member Local Governments.

In examining the approach to Regional Councils the question has to be asked what services should these Regional Councils provide? Should the services, outside those directly related to waste management be curtailed? The approach recommended is that there are a range of mandatory waste management services that a Regional Council has to provide, and discretionary services that the Regional Council may provide at the request of their member Local Governments.

If the Regional Council has the capacity to provide other services, this is in line with a commercial ‘fee for service’ approach. It also adds value for their member Councils. Regional Councils do not have to provide those services themselves – opportunities should exist to contract to private industry at the discretion of the Regional Council.
The current waste management systems have evolved without significant State Government oversight, Regional Councils and Local Government have taken the lead.

The sector fully appreciates that it desirable to have an enhanced level of coordination that is possible only if the State Government is more actively involved in this area. Local Government strongly supports integrated waste management systems to deliver environmentally sound, socially acceptable and economically prudent waste management outcomes. What this means in practice is that the Government needs to show strong leadership by mandating the expectations for waste treatment options and investing in waste reduction and avoidance. The current State Waste Strategy targets are based on landfill avoidance, which gives no prioritisation of the diverse activities that lead to this diversion.

While giving consideration to metropolitan wide governance, aside from infrastructure, waste avoidance and reduction needs to be a cornerstone of the long term approach to waste management. Ultimately, the less waste generated, the less that needs to be managed. This approach clearly fits into making better decisions for waste.

There are a range of waste treatment options including composting (aerobic and anaerobic) and a suite of Waste to Energy technologies. It is however important to acknowledge that landfill will have a place in waste treatment for a considerable time. Given these settings, it is therefore recommended that an assessment of the validity of an aspirational ‘zero waste’ outcome is undertaken. For an integrated waste management system to operate effectively a range of funding mechanisms are needed. There are a range of potential approaches to funding, two options are direct funding through the WARR Levy (or other State Government funding) and using Extended Producer Responsibility Schemes to shift the burden of responsibility to producers.
CONCLUSION

Change in the current governance of waste management in the metropolitan area is clearly needed. Local Government has been taking a leadership role in diverting waste from landfill and ensuring that if material goes to landfill the environmental and human health impacts are minimised. However, with a growing population, an increasingly complex waste stream and more expensive treatment options becoming the norm, there is a need for a higher level of informed State Government coordination, leadership on policy, best practice and support via long term funding commitments.

Local Government is seeking commitment from the State Government to establish new governance structures for waste management in the metropolitan area (based on the model outlined) and put in place the policy, statutory and regulatory environment to ensure an integrated approach to waste management can be achieved for Western Australia.
MEMBERS OF THE WORKING GROUP

Mayor Alannah MacTiernan (Municipal Waste Advisory Council Chair) Working Group Chair
Mayor Troy Pickard (WA Local Government Association President)
Cr Doug Thompson (City of Fremantle)
Mayor Simon Withers (Town of Cambridge)
Cr Clive Robertson (City of Melville)
Mayor Henry Zelones (City of Armadale)
Cr Alan Pilgrim (Chair, Eastern Metropolitan Regional Council)
Cr Russell Fishwick (Chair, Mindarie Regional Council)
Cr Ron Hoffman (Chair, Rivers Regional Council and Forum of Regional Councils)
Cr Tony Romano (Chair, Southern Metropolitan Regional Council)
Mayor Ron Norris (Chair, Western Metropolitan Regional Council)
Mr Peter Schneider (Eastern Metropolitan Regional Council)
Brian Calendar (Mindarie Regional Council)
Alex Sheridan (Rivers Regional Council)
Tim Youé (Southern Metropolitan Regional Council)
Rebecca Goodwin (Western Metropolitan Regional Council)

WALGA would also like to acknowledge the contributions of the following Waste Authority members:

Marcus Geisler (Waste Authority)
Neil Foley (Waste Authority)
Glen McCloud (Waste Authority)