

# Submission on the Office of the Auditor General Audit of Local Government waste management service delivery

September 2019



## Status of this Submission

This Submission has been prepared through the Municipal Waste Advisory Council (MWAC) for the Western Australian Local Government Association (WALGA). MWAC is a standing committee of WALGA, with delegated authority to represent the Association in all matters relating to solid waste management. MWAC's membership includes the major Regional Councils (waste management) as well as a number of Local Government representatives. This makes MWAC a unique forum through which all the major Local Government waste management organisations cooperate.

This Submission therefore represents the consolidated view of Western Australian Local Government. However, individual Local Governments and Regional Councils may have views that differ from the positions taken here.

*This Submission was endorsed by the Municipal Waste Advisory Council on 9 October 2019.*

## Introduction

The Association welcomes the opportunity to comment on the Office of the Auditor General Local Government waste management service delivery audit. The objective of the audit is to determine whether Local Governments plan and deliver effective waste management services to their communities. The Auditor General identified the following lines of inquiry:

- Are waste services planned to minimise waste and meet community expectations?
- Do Local Government entities deliver effective waste services?
- Does the State Government provide adequate support for local waste planning and service delivery?

In this Submission comments have been provided in relation each of these questions.

## Background

Local Government has a key role to play in assisting the State Government to implement the *Waste Avoidance and Resource Recovery Strategy 2030* (the Strategy). Local Government provides a range of waste management services that are highly valued and utilised by the community. These services can include but are not limited to the provision of transfer stations, landfills, re-use shops, temporary drop off days, kerbside collections, vergeside collections, litter and illegal dumping clean up, street sweeping, Alternative Waste Treatment technologies, composting and the provision of community waste education programs.

As per the provisions of the *Waste Avoidance and Resource Recovery Act 2007* (WARR Act), Local Government has responsibility for managing municipal waste. There are no other sectors in Western Australia that are tasked with a legislative responsibility for a dedicated waste stream.

Regional Councils are significant Local Government entities in relation to waste management in WA. Regional Councils operations vary considerably and can include a range of operational activities (material recovery facilities, composting, transfer stations and landfill operations), infrastructure

development and operation, waste education and community engagement and contract management. Regional Councils governance structures also vary, with different Constitutions / Establishment Agreements in place which identify the scope of the Councils activities and constraints on operations. This makes it difficult to compare Regional Councils operations.

### **Are waste services planned to minimise waste and meet community expectations?**

In answering this question the term 'minimise waste' has been taken to mean increase resource recovery and reduce waste to landfill. Waste services, aside from smaller bins for example, generally do not focus on minimisation of waste but instead its effective recovery. Waste minimisation is effected by broader considerations than the service provided, such as economic activity, and Local Government has less capacity to influence this. Community expectation is often difficult to gauge and changes depending on the community. Usually the focus of Local Government is on meeting community needs for waste services. 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.

### **Do Local Government entities deliver effective waste services?**

For clarity, some Local Governments do not provide waste services, they instead contract that service provision out to private contractors. The procurement processes that Local Governments adhere to ensure that a number of factors are taken into account to ensure that effective waste services are delivered.

The *Local Government Act 1995* Section 1.3 (3) states that:

*"In carrying out its functions a local government is to use its best endeavours to meet the needs of current and future generations through an integration of environmental protection, social advancement and economic prosperity."*

Consequently, Local Government is expected to have sustainability embedded in its operations. In answering the question posed by the Office of the Auditor General, it is important to define what Local Government considers to be 'sustainable waste practices' (and therefore effective) and the various factors which impact on Local Governments ability to deliver waste management services.

If all of the following outcomes are met, it indicates that sustainable waste management practices are in place:

- Positive environmental outcomes - such as reducing waste to landfill and increasing recovery of resources.
- Positive social outcomes - providing services which the community engage with, use and value highly.
- Positive economic outcomes - providing financially viable services that are ideally cost neutral for Local Government.

When considering current practices in WA against these outcomes it is clear that there are many sustainable waste management practices in place. However, the sustainability of these service is threatened by factors such as market instability, the cost of transport and changing regulatory approaches. Local Government has very limited control on the type of waste it will be called on to manage, as this is determined by those producing the waste at a household level and more broadly - by the industries which supply householders with products.

## **Does the State Government provide adequate support for local waste planning and service delivery?**

The current waste management systems have evolved without significant State Government oversight, Regional Councils and Local Government have taken the lead. The Strategy was released in February 2019 and provided clear direction and Targets for Local Government, State Government, waste managers and the community. Prior to the Strategy release, there was limited State Government direction in relation to waste management. In the WALGA Submission to the Officer of the Auditor General in 2016 on the State Waste Strategy a number of issues were identified with the implementation of the then State Waste Strategy. With the new Strategy, and associated action plan, greater direction has been provided to the sector. One of the headline strategies in the Strategy relates to Food Organics and Garden Organic (FOGO) collections in the Perth / Peel region being implemented by 2025, however a new funding Program to guide the implementation of this has not yet been released and there is still a need for additional infrastructure to process the material collected and market development for the FOGO compost.

Local Government is faced with a number of challenges in providing sustainable waste management services. These challenges are regulatory, organisational and economic. These issues are particularly significant for regional and remote areas, where there is a limited rate base from which to raise funds, and few private sector waste management providers to share the load. Local Governments are continually balancing the economic, environmental and social aspects of sustainability. The use of Product Stewardship and Extended Producer Responsibility schemes can assist in addressing these issues.

Product Stewardship is founded on an acknowledgement that the parties involved in producing, selling, using and disposing of products have a shared responsibility to manage end-of-life products in a way that reduces their impact on the environment, human health and safety. Extended Producer Responsibility Schemes (EPR's) generally place a greater onus of responsibility for end-of-life management, on the producer, importer and retailer of products. To date, these Schemes have been used in Australia to begin redistributing end-of-life costs away from State and Local Governments. However, there has been limited success in using these Schemes to re-engineer products so that they can be easily recycled. Action by State Government to require industry to incorporate end-of-life considerations into products would greatly assist.