

APPENDIX A

Submissions and comments

We have consulted with Bayside City Council, City of Ballarat, City of Melbourne, Greater Dandenong City Council, DELWP, Grampians Central West Waste and Resource Recovery Group, Metropolitan Waste and Resource Recovery Group and SV, and we considered their views when reaching our audit conclusions. As required by the *Audit Act 1994*, we gave a draft copy of this report, or relevant extracts, to those agencies and asked for their submissions and comments.

Responsibility for the accuracy, fairness and balance of those comments rests solely with the agency head.

Responses were received as follows:

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Metropolitan Waste and Resource Recovery Group	20



10 November 2021

Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 24, 35 Collins Street
MELBOURNE VIC 3000

Level 28, 50 Lonsdale Street
Melbourne VIC 3000
T 03 8626 8000
E info@sustainability.vic.gov.au
sustainability.vic.gov.au
ABN 62 019 854 067

Dear Mr Greaves

**Limited assurance review of Council waste management services:
Response from Sustainability Victoria**

I refer to your letter dated 29 October 2021 providing an opportunity for Sustainability Victoria (SV) to make a submission in response to the *Limited assurance review of Council waste management services*. SV acknowledges the review and the importance of ensuring the waste and resource recovery system is providing value for money for all Victorians.

Since the 2019 *Recovering and Reprocessing Resources from Waste* audit, the Victorian Government has released the *Recycling Victoria* policy with \$300 million committed to addressing recycling sector reforms. This funding includes direct support for Councils to deliver consistent and high-value kerbside services, together with \$100 million for new recycling infrastructure. In 2020, SV launched a state-wide education and behaviour change campaign which has provided further support for local government to engage with households to maximise recycling outcomes. In addition, the Victorian Government recently introduced legislation to establish a new entity which will oversee regulation of Victoria's waste and recycling system.

Relevant to this current limited assurance review, a key pillar in the *Recycling Victoria* policy relates to improvements to waste and resource recovery data. The \$7 million *Expanding Victoria's waste data* program will establish a waste data hub, improving the currency, availability, and value of the Victoria's waste materials data. Multiple improvements have already been made since 2019, including tighter definitions for reporting, new guidelines for Councils and industry, and the launch of Australia's first market bulletin for recycled commodity markets.

Sustainability Victoria looks forward to working side by side with the new entity to deliver greater transparency and market regulation in the recycling sector, ensuring that the community has confidence that material being collected through kerbside recycling is being appropriately sorted and processed into valuable products.

Sustainability Victoria notes no recommendations are outlined in the proposed review. I welcome further engagement with the Auditor-General's office on future audits.

Yours Sincerely



Claire Ferres Miles
Chief Executive Officer





Department of Environment,
Land, Water and Planning

PO Box 500, East Melbourne,
Victoria 8002 Australia
delwp.vic.gov.au

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31, 35 Collins Street
MELBOURNE VIC 3000

Ref: SEC015391



Dear Mr Greaves

**PROPOSED LIMITED ASSURANCE REVIEW - COUNCIL WASTE MANAGEMENT SERVICES
(VAGO DUE DATE: 10/11/21)**

Thank you for the opportunity to review the outcomes of the Victorian Auditor-General's Office's (VAGO) independent assurance report focused on the value for money of council's waste management services.

Following the market disruptions in 2019, councils have continued to focus on ensuring all Victorians have access to services that deliver value for money and ensure that household waste and recycling is managed appropriately. This comes at a cost to Victorian ratepayers, councils and the Victorian Government.

The Victorian Government announced a new plan for waste and recycling: *Recycling Victoria: A New Economy* in February 2020. This policy outlined a plan of reform to establish a recycling system that Victorians can rely on and includes:

- reforming how households recycle by introducing a separate collection for glass by 2027 and a food organics and garden organics service by 2030
- introducing a container deposit scheme
- educating and changing behaviour (statewide) to support standardized services
- investing in new infrastructure to extract more valuable resources from our waste; and
- supporting industry, communities and councils to reduce their waste and make the most of our resources and
- strengthening recycling oversight with a new Act and regulation.

On 27 October 2021, the Circular Economy (Waste Reduction and Recycling) Bill was introduced into parliament. If passed, the Bill will see establishment on 1 July 2022 of Recycling Victoria, a dedicated business unit within the Department of Environment, Land, Water and Planning (DELWP) with distinct legislative powers to deliver statewide stewardship, regulatory and market oversight functions. Pending passage of the legislation, Recycling Victoria will be responsible for functions currently undertaken by Waste and Resource Recovery Groups and data activities currently undertaken by Sustainability Victoria. The Bill paves the way for a more reliable waste and recycling sector that meets community expectations. It also provides the legal underpinning to deliver a circular economy for Victoria, providing for:

- a statewide four-stream household waste and recycling system
- service standards to ensure consistency and transparency in how waste and recycling are collected, managed and disposed of
- a container deposit scheme
- a framework for data collection and reporting to identify market risks and opportunities and inform responses and
- mechanisms to support councils in their procurement and contract management and ensure councils and waste and recycling sector entities comply with their legislative obligations.

Any personal information about you or a third party in your correspondence will be protected under the provisions of the *Privacy and Data Protection Act 2014*. It will only be used or disclosed to appropriate Ministerial, Statutory Authority, or departmental staff in regard to the purpose for which it was provided, unless required or authorized by law. Enquiries about access to information about you held by the Department should be directed to foi.unit@delwp.vic.gov.au or FOI Unit, Department of Environment, Land, Water and Planning, PO Box 500, East Melbourne, Victoria 8002.



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Once again, thank you for the opportunity to review the report and to outline the actions the government has undertaken to ensure Victorians have a waste and recycling service they can rely on.

Yours sincerely



John Bradley
Secretary

10/11/2021

PO Box 655
Ballarat Vic 3353
AUSTRALIA

Telephone: 03 5320 5500
Facsimile: 03 5333 4061



Date: 10 November 2021

Our Ref: EK:ls.bw

Your Ref: 34672-22

Enquiries: Les Stokes

Direct Email: [REDACTED]

Mr Andrew Greaves
Auditor-General
Victorian Auditor-General's Office
Level 31/35 Collins Street
MELBOURNE VIC 3000

Dear Mr Greaves

**RE: PROPOSED LIMITED ASSURANCE REVIEW -
COUNCIL WASTE MANAGEMENT SERVICES**

Firstly, thank you for the opportunity provided to Ballarat City Council to participate in the VAGO Limited Assurance Review of Council waste management services. I acknowledge and support the review's conclusions.

The review notes the changing waste management environment in the state of Victoria in order to support the implementation of the *Recycling Victoria* policy. These changes are welcomed by the City of Ballarat. The Sustainability Fund receives money collected from the Victorian Waste Levy, the timely and full investment of the fund on waste and resource recovery initiatives is a critical role of the State Government and will go some way to address the constraints identified in the review.

Council Officers have identified a number of minor changes that I believe will aid the legibility of the report, these are summarised in the attached table. Please do not hesitate to contact Les Stokes, Council's Executive Manager – Waste & Environment on [REDACTED], if you wish to discuss this submission further.

Yours sincerely

[REDACTED]
Evan King
Chief Executive Officer



CITY OF MELBOURNE

GPO Box 1603

Melbourne VIC 3001

Telephone (03) 9658 9658

Facsimile (03) 9654 4854

DX210487

ABN 55 370 219 287

12 November 2021

Andrew Greaves
Auditor-General
Level 31/35 Collins Street
Melbourne VIC 3000
Via email: [REDACTED]

Dear Mr Greaves

Proposed Limited Assurance Review – Council waste management services

Thank you for this opportunity to respond to the draft 'Limited Assurance Review –Council waste management services'. The City of Melbourne welcomes the review of Council waste management services, and acknowledges the difficulties of undertaking this report during Covid-19 lockdown conditions.

The City of Melbourne is proud to supply efficient and effective services to its diverse community, and prides itself on finding solutions to service its vast range of complex housing throughout the municipality.

The City of Melbourne supports VAGO's observation that there is a significant opportunity to improve data management, data governance, and quality of such data created and utilised by Sustainability Victoria.

Reporting processes and metrics used by Sustainability Victoria and the Local Government Performance Reporting Framework have been raised by City of Melbourne for a number of years. State published reporting's overall value for decision making, accuracy and ability to compare Councils effectively (based on the variance of housing stock types and service models between municipalities) has rendered the reporting of limited value to the sector.

The City of Melbourne also supports VAGO in its assessment of State Government planning of waste disposal options.

"The current volume of approved landfill capacity is forecast to be sufficient for Melbourne's needs only to 2026. Increasing capacity is controlled at the state rather

*than local government level. Without **state action** to increase disposal capacity, prices may increase for councils to dispose waste".*

The lack of options for waste disposal within metropolitan Melbourne, and lack of planning for alternative waste processing solutions for Councils is of concern to City of Melbourne.

The City of Melbourne looks forward to participating in a more detailed Assurance Review for Council waste management services in the near future.

Yours sincerely



Alison Leighton
Acting CEO
City of Melbourne

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Reference: A8209456
Enquiries: 03 8571 1769

18 November 2021

Mr. Andrew Greaves
Auditor - General
Victorian Auditor-General Office
Level 31/35 Collins Street
MELBOURNE VIC 3000

Dear Mr. Greaves,

RE: Proposed Limited Assurance Review – Council Waste Management Services

On behalf of our Mayor, Councillor Angela Long, as the council officer responsible for the delivery of our waste services, I would like to thank you for the opportunity to provide feedback on the proposed "Limited Assurance Review – Council Waste Management Services".

We are satisfied with the report and have no further input to the report we wish to offer.

I would also like to thank Rocco Rottura and his team for their approach with council which allowed for cooperative and constructive discussions.

Should you or Kelly Butler require any further information in relation to this matter, please do not hesitate to contact me on [REDACTED]

Yours sincerely



Philip Robertson
Service Unit Leader
Waste & Cleansing

Language link 13 14 50

Albanian/Shqip Arabic/عربي Chinese/中国 Dari/دري Greek/Ελληνικά Hazaragi/هزارگی
Khmer/ខ្មែរ Serbian/Српски Turkish/Türkçe Vietnamese/Tiếng Việt



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Victorian Auditor-General's Office
Level 31
35 Collins Street
Melbourne VIC 3000

17 November 2021

Dear Mr Greaves,

Re: Response to Proposed Limited Assurance Review - Council waste management services

Thank you for providing us with a copy of the above-named report, and for the opportunity to provide comment.

Grampians Central West WRRG notes that the review process and report were completed prior to the release of the Circular Economy bill, which is due for a second reading in Parliament before the end of this year. We welcome further commentary in regards to the bill and the implications for the waste management.

There are a number of areas of concern we believe are still not adequately addressed given the unknown outcome of the CE bill through parliament.

1. Extra data capture burden on councils due to extra regulation

Under the current system, Councils are required to provide data in relation to their waste services to a number of different agencies, and in differing formats. The data provision requirements under the new proposed Bill are yet to be fully detailed and will likely be detailed within the subordinate regulations. It is not yet clear if this requirement for data provision will be streamlined into one process via the new CE bill. The impact of this on councils needs to be further understood as the subordinate regulations are finalised.

Additionally, single point of reporting consistent waste data with well established and communicated timelines for submission will allow both contractors and council staff the ability to plan for these requirements both now and into the future.

Finally, consolidating waste data reporting requirements into the control of a single entity would allow consistent, comparable information to be provided. However, we would caution that these requirements need to be developed in consultation with waste service contractors, so as to ensure that the requirements will not cause councils undue pressure where considerations of (for example) commercial-in-confidence information has not been adequately addressed.

2. Cost of services likely to increase

The full impact of the proposed Bill on council operations and cost of waste management services is unknown at this time.

We understand that councils in the Grampians Central West region are currently undertaking further work to ascertain the costs of these additional service and in doing so tailor the service to maximise the benefit of the service.

MAIL
PO Box 292
Wendouree VIC 3355

E: info@gcwrrrg.vic.gov.au
W: recyclingrevolution.com.au
P: 0409 093 382





A key unknown at the moment is impact of the Container Deposit Scheme on the co-mingled recycling bin. Most councils in the Grampians Central West region are intending to roll out glass services after the introduction of the CDS to ensure that the service takes account of the impact of the CDS on tonnages of co-mingled recycling.

Overall, it is expected that over time the impact of export bans and changes in contractors across the sector will likely result in significant increases in costs to councils, and ultimately rate payers.

3. Support from WRRGs who have established relationships with are likely to change with the establishment of the new authority

There is a significant amount of uncertainty within the sector due to the upcoming changes to WRRGs and the commencement of the new authority.

Streamlining of service provision to councils and seeking efficiencies may result in the dilution of the level of service currently provided by the WRRGs. The WRRGs have also identified that there is currently a significant risk of losing highly experienced staff during this period of uncertainty. The high risk of losing highly experienced and trusted staff who have already established their credentials with Councils, Communities and Industry will result in a notable impact on service provision and a reduction in the level of support currently provided to councils.

It would be highly detrimental to the goals of reducing waste to landfill and improving recycling and reuse rates if the ongoing uncertainty leads to loss of key personnel across the sector.

4. Development of a Regional West Materials Recovery Facility

GCWWRRG are currently working with the City of Ballarat and 18 councils in the region to explore the establishment of a Regional Materials Recovery Facility. The ultimate objective of this facility is to provide an alternate option for materials processing in the region, combined with the intention to develop local markets for the materials and avoiding transportation of wastes long distances to Melbourne. It is expected that a project such as this will result in higher costs for processing of material in the short term without sufficient grant funding being provided.

It should therefore be understood that grant funding is critical to creating resilience in the regional material processing market and creating a landscape where circular economy projects can be created.

5. Education and behaviour change support that councils have received is likely to change and have a more statewide focus

Waste and Resource Recovery Groups have been instrumental in supporting Councils to roll out changes to waste systems across their regions. They have been heavily involved in tailoring state-based campaigns to make a more meaningful impact locally and regionally. Removing control of education and behaviour change support from the WRRGs/waste authority increases the risk of disengagement by rural and regional communities. Metro-centric messaging has been tempered in the past, to allow a more amenable approach to be implemented locally thereby ensuring the overall success of programs.

WRRGs have worked with Councils extensively to understand each council region and its requirements. This has meant that education and behaviour change programs have been targeted and taken account of regional nuances. Engaged and positive communities are the ultimate goal of any education and behaviour change program, and understanding the intricacies of a region allow the best possible change for success.

MAIL
PO Box 292
Wendouree VIC 3355

E: info@gcwwrrg.vic.gov.au
W: recyclingrevolution.com.au
P: 0409 093 382





I trust that the feedback provided here will help VAGO understand some of the regional considerations in relation to delivery of waste management services by councils and potential impacts on the costs of service delivery.

If you have any queries with regards to this matter, please do not hesitate to contact me on [REDACTED] or by email – [REDACTED]

Yours faithfully,

[REDACTED]

Ragini Prasad
Executive Officer

MAIL
PO Box 292
Wendouree VIC 3355

E: info@gcwrrg.vic.gov.au
W: recyclingrevolution.com.au
P: 0409 093 382





9 November 2021

Andrew Greaves
Auditor General
Victorian Auditor-General's Office
Via email enquiries@audit.vic.gov.au

Dear Mr Greaves

RE: RESPONSE TO PROPOSED REPORT ON COUNCIL WASTE SERVICES 2021

Thank-you for your letter of 29 October inviting our response to the proposed report on council waste management services.

I am pleased to see the report has reflected the significant costs and efficiencies gained by local government, whom we partner with, to support many of the waste and recycling services detailed, but also highlighting their current limitations.

Collaborative procurements offer benefits to both industry and councils by guaranteeing a pipeline of material and increasing the value of services, with savings that can be passed on to the community. We are leading a collaborative procurement to improve kerbside recycling processing which provides councils with kerbside recycling processing through short term panel contracts from 1 July 2022. It enables flexibility for councils to navigate *Recycling Victoria* reforms whilst ensuring continuity of service.

We welcome the Victorian Government's *Circular Economy (Waste reduction and Recycling) Bill*, which includes a new authority, a container deposit scheme and kerbside reform. MWRRG will transition to the new authority on 30 June 2022 and Recycling Victoria (the new waste authority) will commence operating on 1 July 2022. We have been supporting the Department of Environment, Land, Water and Planning to develop a transition roadmap that will be used to ensure a smooth and seamless transition of our existing functions, staff and resources to Recycling Victoria. Over the year ahead we will continue to focus on delivering the critical streams of work currently underway and supporting the implementation of the Recycling Victoria reforms.

I look forward to reading the report when published. If you wish to discuss our response, please contact Josephine Regel, MWRRG's Director Operations, Planning and People, [REDACTED]

Yours sincerely,



Jill Riseley
Chief Executive Officer

metro.waste@mwrrg.vic.gov.au
www.mwrrg.vic.gov.au