

## EMRC REGIONAL WASTE COLLECTION BUSINESS PLAN

- (a) Its expected effect on the provision of facilities and services by the Local Government:

The Eastern Metropolitan Regional Council (EMRC) is a progressive and innovative regional local government working on behalf of five member Councils located in Perth's Eastern Region - Town of Bassendean, City of Bayswater, City of Kalamunda, Shire of Mundaring and City of Swan. The EMRC provides services in waste management, environmental management and regional development and the EMRC is a model of successful collaboration, initiating projects which deliver real benefits to Perth's Eastern Region. The EMRC operates facilities at its Hazelmere Resource Recovery Park (HRRP) in 77 Lakes Road, Hazelmere where waste timber is recycled, commercial and industrial (C&I) waste is sorted and recycled and used mattresses are recycled. The EMRC is currently constructing a Waste Transfer Station to act as a central hub for member Councils to bring residual waste for transport to the East Rockingham Waste to Energy plant and Food Organics Garden Organics (FOGO) waste for transport to composting facilities at the Red Hill Waste Management Facility (Red Hill). At Red Hill the EMRC operates a licensed landfill for the disposal of class III and class IV wastes, FOGO waste is processed into compost, green waste is converted into mulch and we produce products such as Ferricrete for road base.

EMRC is a leader in innovative waste management and resource recovery strategy to bring service and cost benefits to its member Councils and their ratepayers. The waste collection service proposed by the EMRC is part of an integrated waste management system and the EMRC's proposed waste collection service will bring service and cost benefits to its three (3) participating member Councils in Perth's eastern region. The Private waste collection service operators have 24 other Perth Metropolitan Councils to service.

It is proposed to establish a regional waste collection service for Participant member Councils for the collection of kerbside waste, bulk waste and recycling collections which is a logical progression of the services provided by the EMRC. The EMRC has the necessary skills and resources to provide this service which will be based at the HRRP which is central to the member Council region. Through optimisation of the truck routes and the disposal location (HRRP) which is located closer to the majority of the participating member Councils, there will be fewer waste vehicles sharing the road. Less trucks and more efficient routes should also lead to reduced traffic congestion and air and noise pollution. Both a reduced number of vehicles and a higher level of services through new, safer technology on vehicles should deliver improved public safety.

- (b) Its expected effect on other persons providing facilities and services in the district; and

The Regional Waste Collection Service (RWCS) will have a minor effect on private sector operators who currently provide this service to some member Councils, all of which was considered by the Australian Competition and Consumer Commission (ACCC) in granting an authorisation to conduct the service. The ACCC considered the potential for the EMRC's proposed service to affect competing waste service providers in Perth and that the likelihood of public detriment was low and any detriment would be limited. They considered that the waste collection service would provide public benefits in the form of environmental benefits arising from the consistent branding of bins and collection vehicles, resulting in increased diversion of waste from landfill and some transaction cost savings.

- (c) Its expected financial effect on the local government; and

The financial effect of the RWCS on the EMRC is expected to be positive. The service will provide new jobs and revenue streams for the EMRC which will assist the financial sustainability of the organisation.

- (d) Its expected effect on matters referred to in the local government's current plan prepared under section 5.56

The EMRC has a 10-year Strategic Plan (SP) 2017-2027 and a five-year Corporate Business Plan (CBP) 2021/2022 – 2025/2026 that is revised and reported back to Council on a quarterly basis. The 10-year SP is due for a major mid-term review in 2022. The SP and the CBP are underpinned by an Annual Budget and a 10-year forecast budget comprising both operating and capital expenditure.

The EMRC currently relies heavily on its waste to landfill services to generate revenue for financial resilience and investment in other initiatives (97 per cent of revenue for 2019/2020). The EMRC has recently carried out a Strategic Review which considers the expected market changes resulting from the WARR Strategy (Waste Avoidance and Resource Recovery 2030) and recommends actions that should foster the organisation's long-term financial viability.

The proposed RWCS is entirely consistent with the EMRC's 10-year Strategic Plan (SP) 2017-2027 and a five-year Corporate Business Plan (CBP) 2021/2022 – 2025/2026. The ACCC has granted a ten (10) year authorisation for the EMRC to conduct this business for the Shire of Mundaring, Town of Bassendean and the City of Bayswater. (Participant Councils).

- (e) The ability of the local government to manage the undertaking or the performance of the transaction;

The RWCS will include providing the following services to the Participant Councils:

- Domestic kerbside collection of:
  - Mixed general waste;
  - Co-mingled dry recyclables;
  - (FOGO collection as part of a 3-bin system);
- Incidental commercial waste collection services to small businesses with services equivalent to domestic kerbside collection services;
- Bin maintenance, repair and replacement;
- Bulk waste collection service (mixed or specific) for the collection of larger household waste that cannot be disposed of within normal household bins;
- Event Waste Management;
- Street litter and illegal dumping management; and
- Customer service (i.e. contact point for enquiries, complaints etc.)

The EMRC has the ability and resources to manage the proposed undertaking. The EMRC has over 25 years' experience in the management of household waste and dealing with collection contractors. This includes the establishment of a best practice landfill at the Red Hill Waste Management Facility and the development of a Resource Recovery Park at the EMRC's Hazelmere site. The EMRC has qualified and experienced staff who have worked in the private sector in the waste collection business, including the CEO (formerly worked in a senior management role at Suez Environmental, Veolia Environmental and Thiess Services), Manager Engineering (formerly from Perth Waste), Chief Operating Officer (formerly senior manager at Western Power and Thiess Services) and supervisors and plant operators. The EMRC staff currently operate hook lift trucks and other plant and equipment as part of the Red Hill and HRRP operations. Several staff members have worked in the private sector before joining the EMRC. The EMRC operational and corporate staff have many years' experience in providing services to contractors such as Cleanaway and Suez and also advocating with these businesses on behalf of the member Councils, for example, providing assistance to them when they develop tender requests for their own collection services. The EMRC would have to recruit additional personnel including customer service, maintenance and operations and; have the Human Resources (HR) team to do this and provide any training and Work Health and Safety (WHS) support.

The RWCS will provide a cost competitive service to Participant Councils and ensure consistent waste education messaging across the region.

- (f) Any other matter prescribed for the purposes of this subsection.

### **Project Funding**

The cost of providing the RWCS will be funded from operating revenue generated from the contracts with the Participating Councils for services provided. Procurement of the waste collection fleet is currently being considered and will likely be funded from one of the EMRC's reserves.

### **Costs and Cost Benefit**

In providing a RWCS, the EMRC is aiming to:

- achieve regional efficiencies and potential cost savings through centralised waste collection services which will provide consistency and standardisation across the region;
- achieve greater economies of scale in regard to education and community engagement to drive higher quality source separation of wastes; and
- provide environmental benefits from reduction in waste going to landfill, increase in waste recovery and reductions in transport distances of collection vehicles.

The EMRC is creating competition, and has embraced a more holistic approach to waste management focussing on resource recovery and Net ZERO.

The EMRC is simply expanding its core activities to enable a vertically integrated network of community owned waste and resource recovery assets to maximise engagement of the waste generator, e.g. our community members.

This in turn will minimise exposure to an ongoing reduction of industry players, as well as the current reactive nature of industry in the establishment of WARR infrastructure and services.

### **Risk Management**

The EMRC will progressively roll out the RWCS, starting with the Shire of Mundaring in July 2023 followed by the City of Bayswater and the Town of Bassendean during 2023/2024.

Risk management will cover the following areas:

1. Safe operation of the waste collection vehicles, driver training, driver fatigue management, incident reporting and investigation.
2. Maintenance and replacement of the waste collection fleet.
3. Route optimisation to make best use of the available fleet, minimise fuel consumption and vehicle emissions and traffic congestion.
4. Customer service centre to coordinate household enquiries, bookings for services etc.
5. Driver and operations staff scheduling to manage leave, back-up.
6. Waste education of the community to encourage correct use of household bins and greater resource recovery.

### **Schedule**

The anticipated project schedule for the RWCS is as follows:

- Workshop with Participant Councils – August 2022;
- Participant Council individual meetings at their offices – September 2022;
- Council decision October 2022 to approve draft Business Plan for a major undertaking;
- Council decision November 2022 to approve Business Case for RWCS;
- Participant Councils approve collection contracts – November 2022;

- Procurement of rubbish collection vehicles and other fleet – 9 months;
- Establishment of rubbish collection fleet parking and fuel station at HRRP – 6 months;
- Recruitment of drivers and support staff – 6 months;
- Completion of training of staff – June 2023; and
- Commencement of the service – 1 July 2023.