

4.2 ADVANCED WASTE PROCESSING COSTS UPDATE (SH: ENV 17)

Responsible Director: Deb Cailes

RECOMMENDATION

That Council:

- 1. Notes that the revised cost for the establishment of a Special Purpose Vehicle, site selection and planning approvals as part of the Advanced Waste Processing collective procurement is now estimated at approximately \$75,000.*
- 2. Authorises the Chief Executive Officer to negotiate and confirm the final cost as she deems reasonable and pay this contribution to the Metropolitan Waste and Resource Recovery Group on request.*

PURPOSE

This report seeks to inform Council of a modest increase in costs for the establishment of a Special Purpose Vehicle (SPV), site selection and planning approvals as part of the Advanced Waste Processing collective procurement.

INTRODUCTION

Monash and 15 other South East Council's, facilitated by the Melbourne Waste and Resources Recovery Group (MWRRG), are involved in the collective procurement of Advanced Waste Processing facilities to replace landfilling.

BACKGROUND

The collective councils have agreed, under guidance from the MWRRG that it is preferable to be involved in site selection and preliminary planning approvals for the AWP facility. This will help speed up the siting and approvals processes.

There will be costs in the establishment of the SPV and for preliminary site selection and planning approvals. Indicative costs provided by MWRRG in May 2021 indicated that Councils would be required to contribute between \$43,750 and \$54,375 each for this purpose.

At its May 2021 meeting Council resolved to

- 1. Supports participation in a Special Purpose Vehicle for purposes of entering appropriate contract arrangements for Advanced Waste Processing.*

2. *Supports a financial contribution by Monash to the Metropolitan Waste and Resource Recovery Group for the establishment of a Special Purpose Vehicle, site selection and planning approvals of approximately \$43,750 to \$54,375.*
3. *Supports officers continuing to advocate to relevant state bodies including the Minister for Energy, Environment and Climate Change, for funding from the Sustainability Fund to be allocated to this project.*
4. *Supports the Chief Executive Officer to provide informed advice to the Metropolitan Waste and Resource Recovery Group regarding tender criteria, including price parameters.*
5. *Authorises the Chief Executive Officer to execute the relevant documents for participation in the Special Purpose Vehicle and financial contribution as may be required during the procurement process.*
6. *Notes that a further comprehensive report detailing key tender criteria, including financial and environmental outcomes, will be brought back to Council for approval prior to committing to the full tender process.*

Since May, further investigation has been undertaken on a possible site for the AWP facility and the MWRRG has now advised Councils that the contribution required by each council has now increased from a range of \$43,750 to \$54,375 to approximately \$75,000. The reason for this increase is related to the cost of a possible option for securing a land purchase. The MWRRG have noted that a portion of this cost may be refunded to the Councils through the SPV as part of the final land transfer to the successful tenderer.

SOCIAL IMPLICATIONS

The provision of AWP facilities will enable Council to continue to provide the essential waste collection and disposal services for the community in a more sustainable and responsible manner.

POLICY IMPACTS

The provision of AWP facilities supports the following Council Objective:

A Liveable and Sustainable City – Delivering responsible and sustainable waste management services.

It also aligns with the:

Waste Management Strategy 2017 for the provision of kerbside waste collection services. *Action - The Waste Management Strategy aims to reduce waste sent to landfill to minimise the costs of waste disposal to the community.*

Waste Management Strategy 2017 item 5.8 aims to minimise reliance on landfills and reduce the need for large transportation distances for waste disposal. *Action – New technologies, Council to work with industry and State Government to promote investment in alternative waste management options, including Waste to Energy.*

Waste Management Strategy 2017 KPI 1, Waste Diversion Rate. Current 56%. Target 60% by 2022 and 75% by 2027. The success of recycling and Fogo plus finding alternates to landfill is essential for Council to meet this KPI.

It also aligns with the Circular Economy Policy.

As part of Recycling Victoria, waste to energy solutions will play a significant role in achieving the Victorian Government's new target to divert 80 per cent of household waste from landfill by 2030. Best outcomes will be achieved by minimising our waste, reusing and recycling, including separation of food and green waste for composting. What is left over can go to advanced waste processing which is more productive than burying it in the ground. The Victorian Government supports waste to energy projects where they create clear net benefits and complement efforts to reduce or recycle waste.

The advanced waste processing procurement will ensure any facilities:

- meet best-practice environment protection requirements and energy efficiency standards;
- reduce the amount of waste sent to landfill;
- do not displace or inhibit innovation to reduce or recycle efforts;
- reduce greenhouse gas emissions compared to the waste and energy services they displace; and
- have sustainable business models creating new jobs and economic development in local communities.

FINANCIAL IMPLICATIONS

The revised estimate by the MWRRG for the total cost for establishment of the SPV, site selection and planning approvals is now \$1,200,000. This will be evenly distributed amongst participating councils. Currently, there are 16 participating councils, so Monash will be asked to contribute approximately \$75,000 as required during this financial year. There are no other anticipated costs associated with this project as the establishment of a facility will be fully financed by the successful bidder/s. This expenditure can be accommodated within existing operating and contracts budget.

CONCLUSION

That Council supports Monash increasing its contribution towards costs for establishment of the SPV, site selection and planning approvals as detailed in this report.