

28 September 2007

Riverland Sub-Regional Waste Management
C/-Mr Peter Ackland
Chief Executive Officer
District Council of Loxton Waikerie
PO Box 409
Loxton SA 5333

Dear Peter

Murray & Mallee Region Waste Management Plan

We refer to your instructions to review the Murray & Mallee Region Waste Management Plan (RWMP) on behalf of:

- Berri Barmera Council;
- District Council of Loxton Waikerie;
- Mid Murray Council; and
- Renmark Paringa Council.

These Councils are referred to hereinafter as the "Riverland" Councils.

In accordance with the Project Brief, we have:

1. *Reviewed the Murray & Mallee Region Waste Management Plan;*
2. *Considered and recommended governance arrangements for the sub-region; and*
3. *Developed a strategy or strategies to meet the objectives of the EPA and Zero Waste SA.*

The Regional Waste Management Plan (RWMP) prepared for the Murray and Mallee Region states that "the future of waste management in the region will require the adoption of a plan that encompasses and satisfies the following goals:

- *Environmentally sustainable practices;*
- *Meets the needs of the Community;*
- *Meets the objectives of the South Australian Waste Strategy; and*
- *Cost Effective."*

It is acknowledged at the outset that it will be difficult for individual Councils acting on their own to achieve the waste reduction targets set out in the South Australian Waste Strategy. This is due to a lack of physical resources, lack of economies of scale in operations, access to the necessary skills and limited financial capacity. Accordingly, the RWMP places a heavy emphasis on achieving economies of scale through the common commitment of Council's to fulfil the objectives of a regional plan, by resource sharing. The RWMP claims the benefits of regionalisation when it comes to waste management are:

- Rationalisation of services;
- Efficiencies gained through better utilisation of equipment; and
- Better standards if service provision and landfill management.

Regionalisation is capable of delivering rationalisation and efficiencies in equipment utilisation, however the key is not in the structure, but in the willingness of the parties to co-operate to achieve common objectives for the long term. The RWMP acknowledges that regional strategies must be developed through consultation with all stakeholders in order to be accepted.



Level 6
55 Gawler Place
Adelaide SA 5000

GPO Box 2244
Adelaide SA 5001
Australia

Telephone:
61-8-8231-4010
Facsimile:
61-2-8231 9291

Website:
www.instate.com.au

Head Office:
2nd Floor
Harbour View Building
275 Alfred Street
North Sydney NSW 2060

PO Box 305
Milsons Point NSW 1565

Telephone:
61-2-9955-2711
Facsimile:
61-2-9955-2275
Email:
sydney@instate.com.au
Webpage:
www.instate.com.au

INSTATE PTY LTD
A.B.N. 26 003 933 604

Higher standards of service do not necessarily only flow from regionalisation, they must be derived from a conscious decision of an individual Council acting either alone or in concert, to deliver a better standard of service.

The RWMP identifies key strategies for the following five key functions of waste management:

- Waste Collection
- Waste Disposal
- Waste Recycling
- Education; and
- Management

The implications for the four Riverland Councils of each of the above key strategies are explored below, together with the extent to which we consider that they each satisfy the above goals outlined within the RWMP:

1. Key Strategies

1.1 Waste Collection

The RWMP contends that economies of scale can be achieved by combining waste collection contracts. It recommends that a joint waste collection contract be called for Berri Barmera, Loxton Waikerie and Renmark Paringa Councils. It further recommends that a joint collection contract be called for the Murray Bridge and Mid-Murray Councils.

The recommendation appears to be predicated on reducing the overall cost of the service to the Riverland Councils by increasing the size of the business offered to a waste management contractor(s). The assumption here could be that a large contract would encourage the use of modern collection vehicles which are capable of up to 200 lifts per day. Otherwise, economies of scale in waste collection can be derived from a combination of factors which relate more to efficiencies in the use of the physical assets (trucks), drivers, transport routes, operating hours and ability to spread fixed costs over a much larger customer base, such as number of households.

The RWMP does not comment on, whether or not there is excess or underutilised capacity amongst the physical assets (predominantly being trucks) used by the existing waste collection contractors, whether less physical assets (and drivers) would be required than that is currently utilised for the existing contracts and or whether combining the current contracts would result in more efficient transport collection routes. This omission is important, in that it cannot be assumed that there is currently an excess capacity in the existing waste collection practices amongst the Riverland Councils. For example, given the geographic location of Waikerie, in particular, it is difficult to conceive that there would be any transport efficiencies gained from a combined contract which encompassed the collection areas of Berri Barmera and Renmark Paringa.

Extent to which the RWMP Goals are satisfied:

RWMP Goal	Assessed Impact of Strategy
Environmentally sustainable practices	No discernable change compared to current practice
Meets the needs of the Community	No discernable change compared to current practice unless overall costs are lowered
Meets the objectives of the South Australian Waste Strategy	May provide a more effective system which meets one of the key objectives of the waste strategy
Cost Effective	Only if the increased size of the contract was in itself attractive enough to waste collection companies to produce some savings through economies of scale – by way of example, by operating the same service overall but with less trucks and drivers

1.2 Waste Disposal

The RWMP contends that due to a tightening of operating conditions the future costs of establishing new landfills, or extending the life of existing landfills, will make it a more cost effective strategy for Councils to close existing landfills and replace them with Waste Transfer Stations, and regional landfills.

There are economies of scale to be obtained in operating a landfill, similarly the costs of operating smaller landfill facilities are considerable. This was demonstrated in the Hyder report¹ which stated net landfill disposal costs for a 4,000 tonne per annum facility were estimated at \$148 per tonne, whilst for a 12,550 tonne per annum facility disposal costs were estimated to be \$97 per tonne.

The RWMP recommends that due to the large area and small population centres of the Murray Mallee region, two regional landfills be established, one located at Murray Bridge and the other located in the Riverland. It is envisaged that Berri Barmera, Loxton Waikerie and Renmark Paringa Councils would use the Riverland landfill, whilst Mid Murray would use the Murray Bridge site.

Each landfill would receive approximately 28,000 tonnes of residual (mainly) household waste per annum. If constructed, these would be much larger than the existing landfills, and should therefore be capable of operating at a lower unit cost (lower cost per tonne to landfill).

However, landfills of this size are still considered small by industry standards, because they are generally more expensive to operate they are only considered commercially viable in the absence of alternatives.

Depending on a wide variety of factors, such as operational hours, equipment and methodology, the costs of constructing and operating a landfill to the currently prescribed EPA standards in the region are likely to be in the range of \$60 to \$90 per tonne. If that option was adopted, the Riverland Councils would

¹ Audit of Selected Rural Council Landfill Facilities for Local Government Association of South Australia in association with Environment Protection Authority, Office of Local Government, Zero Waste SA, January 2006, Hyder Consulting, Pg 11

need to fully fund the facility, and accept all long term responsibilities associated with the on-going operation and post closure requirements of landfills.

There is a substantial volume of built air space engineered to current EPA standards which is available at the two major private sector owned landfills to the north of metropolitan Adelaide. Due to commercial pressures, disposal rates at these facilities are currently around \$30 per tonne for long term high volume contracts, particularly with local government authorities.

The option of transporting waste to Adelaide by either road (short term) or rail (longer term) for disposal should be considered as a likely viable cost effective alternative for at least some, if not all of the Riverland Councils, particularly given there is no adverse financial impact on the application of the levy from current EPA regulations. According to industry sources the cost of transporting waste would currently be in the order of \$35 per tonne or less depending on the type of vehicle used. Although rising fuel costs are a consideration this represents a relatively small proportion of the overall transport cost and is considered to be a manageable exposure. This option does not preclude investment in regional landfill infrastructure at some point in the future, it simply keeps all options open for the long term.

Extent to which RWMP Goals are satisfied:

RWMP Goal	Assessed Impact of Strategy
Environmentally sustainable practices	Engineered landfills are more environmentally sustainable than current practices. Transport to metropolitan Adelaide for disposal may not be as environmentally sustainable as localised disposal.
Meets the needs of the Community	No evidence of widespread community demand for a change in practices
Meets the objectives of the South Australian Waste Strategy	The creation of regional infrastructure is consistent with one of the key objectives of the waste strategy
Cost Effective	Transport to metropolitan Adelaide for disposal may provide a much more cost effective long term option than developing costly regional landfill(s)

1.3 Waste Recycling

Resource recovery and recycling in regional communities can be difficult to justify on solely commercial grounds, more so in rural locations.

Resource recovery is currently occurring throughout the region at several container deposit depots, which also accept a range of non-deposit recyclable material, however the majority of recyclable material is subsequently transported to Adelaide for processing.

The South Australian Waste Strategy has set key material and recycling targets for each waste stream. For the municipal waste stream these targets are:

- By 2008 - 50% of all material presented at the kerbside is recycled.
- By 2010 - 75% of all material presented at the kerbside is recycled (if food waste is included).
- By 2014 - Reduce waste to landfill by 25% (as required by *South Australia's Strategic Plan*)

The report identifies two clear strategic choices and five options depending on a variety of local circumstances and preference. The strategic choices are between the introduction of kerbside municipal services for recyclables and green waste and further development of the privately owned container deposit depots.

The development of the 'menu' of resource recovery schemes is a sensible approach to providing individual Council's with sufficient choice to enable them to meet the targets established in the State waste strategy. The majority of recyclable and green waste is likely to be generated in the major townships and individual Council's may wish to consider the introduction of kerbside services in the major centres of population density rather than throughout their entire area, which may be considerably more expensive due to the distances involved.

Extent to which RWMP Goals are satisfied:

RWMP Goal	Assessed Impact of Strategy
Environmentally sustainable practices	Greater resource recovery from the kerbside, transport implications of freight to metropolitan Adelaide
Meets the needs of the Community	Increased ease of resource recovery for the community at increased cost
Meets the objectives of the South Australian Waste Strategy	Achieves several of the key objectives of the waste strategy
Cost Effective	Introduction of kerbside services will come at significant financial cost to the community

1.4 Education

The RWMP identifies education as an important component in the successful introduction of waste reduction and recycling strategies. The report also points out that active education programs are not currently being pursued in the Region.

The provision of education services through a co-ordinated regional approach is supported as an effective strategy to satisfy the goals established in the RWMP and to enable the Councils to achieve waste minimisation and management by adherence to the waste hierarchy that emphasises, in order of preference:

- *Avoidance or reduction of waste* – through waste minimisation and eco-efficient practices;
- *Reuse* – to conserve resources that otherwise would be consumed in production and recycling;
- *Recycling* – energy and resources consumed in recycling can be significant but are generally less than consumed for 'first use' materials;
- *Energy Recovery* – energy recovered from waste can be used as a substitute for fossil fuels;
- *Treatment* – to reduce the environmental impact of waste disposal;
- *Containment* – to reduce environmental impacts; and
- *Disposal* – in an environmentally-responsible manner.

Extent to which RWMP Goals are satisfied:

RWMP Goal	Assessed Impact of Strategy
Environmentally sustainable practices	An objective of the position is to encourage sustainable practices
Meets the needs of the Community	No demonstrated demand for such a role from within the community
Meets the objectives of the South Australian Waste Strategy	To foster sustainable behaviour is a key objective of the waste strategy.
Cost Effective	Likely to require the commitment of additional resources from Council's. Government funding should be sought to support such a position until cost benefit can be demonstrated.

1.5 Management

The RWMP recommends the establishment of a Regional Subsidiary in accordance with Section 43 of the Local Government Act, 1999 and the creation of two Regional Sub-Committees under the proposed Regional Authority.

The Regional Waste Management Authority is seen as the forum to raise particular waste issues and to administer, implement, monitor and review the Plan.

Whether the establishment of a separate legal entity is required to debate and discuss 'regional' waste issues is itself arguable. The existing Murray and Mallee Local Government Association would seem to have a Charter which provides sufficient scope for the consideration of such issues and the conduct of any activity which may arise from these issues.

Furthermore, the implementation of a regional waste plan may also limit an individual Council's ability from a policy perspective to make choices for their local communities on the type of waste collection, disposal and recycling methods employed within their Council areas.

Many of the administrative functions and powers recommended for the Authority could in fact be delivered through a shared services arrangement that is capable of delivering enhanced services with greater economic efficiency without sacrificing local independence or direct community representation through the elected Council.

Extent to which RWMP Goals are satisfied:

RWMP Goal	Assessed Impact of Strategy
Environmentally sustainable practices	Greater resource allocation should lead to more environmentally sustainable practices. This can be achieved either through a Regional Subsidiary or through shared services arrangements.
Meets the needs of the Community	Enhanced management focus on waste issues will be of benefit to the community.
Meets the objectives of the South Australian Waste Strategy	Successful co-operation is a key objective of the strategy. This can be achieved either through a Regional Subsidiary or through shared services arrangements.
Cost Effective	Although plant utilisation holds the key to cost effective provision of services, a shared service arrangement should have a lower overall cost than the establishment of a regional Authority.

The fourteen recommendations contained in the RWMP are each considered in turn, particularly as they relate to the four Riverland Councils.

2. Regional Plan Recommendations

a) That the Murray and Mallee Regional Waste Management Plan be endorsed by the MMLGA and recommended for adoption by all member Councils.

The RWMP concludes that the member Council's of the Murray and Mallee Region will be unable, individually, to adequately respond to the external pressures placed on local government to improve the standard of waste management operations, and to meet waste minimisation and recycling targets. It should be noted that these pressures are coming predominantly from the South Australian State Government, rather than from the wider community, accordingly any increased costs associated with responding to these pressures is unlikely to receive widespread support from communities already suffering from the highly adverse effects of drought.

The solution to addressing these issues, according to the authors of the Plan, is for the 8 Councils of the MMLGA to act regionally. According to its charter the MMLGA was established to:

- "1.5.1 as the Subsidiary is a Regional Association of Councils under Part 4 of the Constitution of the Local Government Association of South Australia, to work with that Association in achieving its aims and objectives;*
- 1.5.2 associate, collaborate and work in conjunction with other local government bodies for the advancement of any common interest;*
- 1.5.3 undertake coordinating, advocacy and representational roles for its Constituent Councils at a regional level;*
- 1.5.4 facilitate and coordinate activities of local government at a regional level related to community and economic development with the object of achieving continual improvement for the benefit of the communities of its Constituent Councils;*
- 1.5.5 develop, encourage, promote, foster and maintain consultation and cooperation with other levels of government, private enterprise and the community;*
- 1.5.6 strengthen the representation and status of local government when dealing with other levels of government, private enterprise and the community;*
- 1.5.7 develop further cooperation between its constituent Councils for the benefit of the communities of the region;*
- 1.5.8 develop and manage policies which guide the conduct of programs and projects in the region with the objective of securing the best outcomes for the communities of the region; and*
- 1.5.9 undertake projects that benefit the region and its communities."*

With the emphasis in the Plan on working cooperatively and coordinating the activities of local government, endorsing the plan would therefore be an action consistent with the Charter of the MMLGA.

The RWMP acknowledges that low population density and distance from recycling markets are significant disadvantages in the establishment of viable services for the region. It also contends that efficiencies have been shown to be achievable through regionalisation.

In our view, these efficiencies are not well identified or substantiated in the RWMP, and require further analysis before realistically any commitment could be made to establishing a regional body on these grounds alone. Furthermore, many of the recommendations of the RWMP have far reaching policy implications, as well as significant financial implications for each of the four Riverland Councils.

A recommendation to adopt the RWMP for all member Councils is therefore difficult to support.

- b) That a Regional Waste Management Authority be established under the provisions of Section 43 of the Local Government Act of South Australia 1999. The Authority shall have equal representation for all member Councils. The Charter of the Authority shall be to implement, monitor and review the Regional Waste Management Plan.**

There are three issues which arise from this recommendation: the first is whether a Regional Subsidiary under Section 43 of the Local Government Act 1999 is the most appropriate legal structure or arrangement to give effect to the recommended actions; the second is in what proportion the Constituent Councils of a Regional Subsidiary should have representation and their proportion of equity interest and the third issue is what the Objects and Purpose of that Authority ought to be given that these will inform the necessary powers of any subsidiary.

Is a Regional Subsidiary the most appropriate form?

The authority of a Council to provide services is drawn from the statutory powers and functions granted under the Local Government Act and various other Acts.

The ability of a Council to delegate these functions and powers is limited by Section 44 of the Local Government Act which provides that a delegation may be made:

- (a) to a council committee; or*
- (b) to a subsidiary of the council; or*
- (c) to an employee of the council; or*
- (d) to the employee of the council for the time being occupying a particular office or position; or*
- (e) to an authorised person.*

There are a number of models that Councils throughout South Australia utilise to enable them to co-ordinate and provide services on a regional basis; essentially they can be distilled into the following:

- (1) establish a strategic collective or shared service alliance or arrangement;
- (2) establish an incorporated association; or
- (3) establish a regional subsidiary under Section 43 of the Local Government Act.

Whilst some Councils have considered incorporated associations as options for the delivery of services to the community, there are a number of issues which need to be taken into account.

For example, these bodies, when established, are separate legal entities in their own right and, whilst the Council may have a representative on them, there is no legal liability to Council. This means they are established outside of the Local Government framework and there is no accountability or responsibility to the Minister for Local Government and State Relations or to Council. As a consequence they do not have the protection of the Local Government Mutual Liability Scheme for civil liabilities. A Council cannot delegate to an Incorporated Association and members of the management committee have a fiduciary responsibility to the Association rather than to Council. The management committee members have duties and responsibilities which are similar to those which exist under Corporations Law.

In these circumstances the disadvantages of this structure would appear to outweigh any of the benefits and further consideration does not seem warranted.

Section 43 of the Local Government Act allows for two or more Councils to establish a regional subsidiary. A subsidiary may be established:

- (a) to provide a specified service or services or to carry out a specified activity or activities; or*
- (b) to perform a function of the councils under this or another Act.*

Given the extent of the authority considered for delegation to the Subsidiary, the establishment of a Regional Subsidiary under Section 43 of the Local Government Act may be an appropriate vehicle.

There are, however, a number of issues which should be considered when establishing a Regional Subsidiary and the LGA has produced a useful checklist which should be used as the basis for determining whether a subsidiary is required.

A Regional Subsidiary is a separate legal entity and requires a detailed Charter which may limit the flexibility of the Subsidiary to respond to initiatives. As a separate entity it may require its own staff and it has specific budget and reporting obligations.

As a creature of the Local Government Act, Ministerial consent is required to establish or wind up the entity and if members wish to join or leave the subsidiary. The Minister also has direct intervention powers.

Most subsidiaries also follow local government meeting procedures and meetings are open to the public which may present some disadvantages by comparison to private sector operations.

Board Members of a regional subsidiary do not represent Council due to their fiduciary obligations to the Subsidiary. They are unable to share confidential information with Council.

Member Council's also jointly, or in proportion to their shareholding, guarantee liabilities.

The final model worthy of consideration is collaboration on the provision of services.

Increasingly in South Australia, around Australia and overseas Councils are turning to collaboration as a means of enhancing service provision and improving efficiency without foregoing local autonomy. Shared services or strategic alliances can provide the benefit of economies of scale and scope whilst reducing the overall cost of these services to ratepayers in an environment which retains local decision making control.

This is achieved in a contractual environment which specifies the required services and establishes performance measures, rather than creating additional decision making structures.

A shared service or strategic alliance arrangement can limit the liability for members to those projects they elect to enter, (e.g. owner of a landfill or customer). It ensures that each project has agreed rules related to any assets and liabilities associated with it thereby providing, the autonomy to action the various projects.

A contractual arrangement can also accommodate the different views and requirements from the expected divergences in waste management philosophy and strategy, amongst individual Councils through the use of Partnership or Service Level Agreements with individual Councils.

Representation

The recommendation that member Council's should have equal representation is made without discussion on the respective contribution each Council may make to the proposed Authority.

For example, if the construction of a regional waste facility was to proceed as recommended in the RWMP there are a number of means by which this may be financed. One option would be for the member Councils to finance this in equal proportion, another option would be to finance this in some proportion that reflects the likely use for such a facility i.e. according to the volume of waste presented at the facility. In the event that the latter method was used then it may not be equitable for each Council to have equal representation.

Charter and Powers

The suggested Charter of a regional waste management subsidiary is to "implement monitor and review the Regional Waste Management Plan".

The notion of regional co-operation (at least for the Riverland Councils) to address waste management issues is supported, however if a Regional Subsidiary is to be established the Charter should encompass a broad range of powers and functions to enable the Authority to effectively discharge its duties.

The notion of regional co-operation is supported. However, the outcomes and benefits may be achieved through the utilisation of the existing Regional Subsidiary and through shared service arrangements provided the Councils have the appropriate commitment and provide sufficient resources.

- c) ***Two sub Regional Committees shall be established under the Regional Waste Management Authority comprising membership by those Councils in each sub Region. The sub Regional Committees shall be charged with managing the ongoing operations of waste collection, waste disposal and recycling in each sub Region.***

The RWMP recommendation is contingent on a broad regional body being formed.

Due to issues of proximity and commonality of interest, a co-operative arrangement between the Riverland Councils is favoured over the broader regional structure.

As previously outlined, a co-operative structure or shared service arrangement between the Riverland Councils may well achieve the benefits sought through regional co-operation, without the need to create a Regional Subsidiary. This would have the added benefit of providing individual Councils with the freedom from a policy perspective to make choices for their local communities on the type of waste collection, disposal and recycling methods employed within their respective Council areas.

Accordingly, the recommendation is not supported.

- d) ***The Regional Waste Management Authority shall employ a Waste Officer whose role will be to assist the Authority in promoting the Regional Waste Management Plan to the community through appropriate educational strategies.***

Again, this recommendation is, prima-facie, predicated on the establishment of a Regional Waste Management Authority. In the event that a regional authority is formed, it is appropriate to provide sufficient human and financial resources for the Authority to fulfill its Charter.

Whether the Regional Waste Officer is required on a full-time or a part-time basis is dependant upon the strategic and annual business plans developed by the Authority, for subsequent adoption by the constituent Councils.

The role of the Waste Officer could only be fully developed once the strategic and annual business plans had been developed, however one important element of the role would be to promote the benefits of regional cooperation through education. The RWMP identifies the following skills and attributes as important:

- A sound local knowledge of the Region;
- Good communication and presentation skills
- An understanding of the media
- Marketing experience
- Capable of sourcing sponsorships

These skills and attributes are considered essential for success in such a role. A sample position description for the Regional Waste Officer role is provided as Attachment One.

Education is a key requirement for changing community attitudes and approaches to waste management away from waste disposal and towards the resource oriented point of view which underpins the State waste strategy.

The recommendation contemplates the employment of a Regional Waste Officer for the greater region, encompassing the entire Murray Mallee region. However, the Riverland Councils may be able to derive considerable benefit from working collaboratively and resource sharing to support a role that is responsible for

achieving long term sustainable outcomes by focusing on developing and delivering educational strategies which adhere to the waste hierarchy.

The thrust of the recommendation to promote educational strategies on a regional basis is therefore supported.

- e) *A consultation program to be commenced involving waste contractors, community recycling groups and CDL depot operators to progress the implementation of recycling services throughout the region.***

The broad engagement of all stakeholders is identified as fundamental to the success of achievement of the RWMP. Accordingly, the introduction of a consultation process to assess the demand for recycling services would be worthwhile.

The recommendation is therefore supported.

- f) *Tenders to be called for the provision of kerbside collection services or recycling drop off centres depending on the outcome of the consultation process.***

This recommendation is contingent on the outcomes of the consultation process referred to in (e) above. In the event that consultation supported the introduction of kerbside collection services or drop off centres then expressions of interest or more formal tenders should be called for the provision of these services. Ultimately, the most appropriate and cost effective method of recycling will be found by testing the market.

The RWMP considered a number of recycling options and evaluated them using a multi criteria analysis, given the complexities of the region it is likely that there will be a different blend of options adopted by individual Councils across the region.

The recommendation is therefore supported.

- g) *Tenders to be called for the establishment of a Materials Recycling Facility (MRF) in each sub Region.***

This recommendation is contingent to some extent on the outcomes of the consultation process referred to in (e) above and the consequent introduction of increased recycling throughout the region.

There is no reason why the commercial case for the establishment of a materials recycling facility should not be tested through an expression of interest or formal tender process.

The recommendation is therefore supported.

- h) *Investigations to be undertaken into the availability of a suitably located market for recycled green waste.***

This recommendation is also contingent to some extent on the outcomes of the consultation process referred to in (e) above and the consequent introduction of increased recycling throughout the region.

Notwithstanding this, there is no reason why the commercial case for the availability of markets for recycled green waste should not be tested at the earliest opportunity.

The recommendation is therefore supported.

i) Investigations be undertaken to select and confirm appropriate locations for two regional landfill depots to service the Region.

The whole of life costs associated with the construction of regional landfill facilities are significant, particularly for dealing with relatively small volumes of waste estimated at only 28,000 tonnes per annum.

The RWMP methodology for identifying regional sites is considered to be sound, endeavouring to minimise transport costs to these facilities. However, further study should be undertaken to determine whether the overall costs are lower if the regional landfill is sited in close proximity to the main sources of waste.

The recommendation to develop regional landfills is driven in large part by the EPA guidelines for Environmental Management of Landfill Facilities. The financial impact of these guidelines on new facilities has been widely reviewed and reported in both the RWMP and the Hyder Consulting Report - (2006) on the cost of compliance with the new guidelines. The guidelines provide strong incentive to rationalise operations to achieve economies of scale where this is practical. However, consideration should also be given to the following:

- there is considerable uncertainty associated with this work not being site specific which prevents accurate projections being made for specific sites based on simple extrapolation of this work; and
- costs are particularly sensitive to operational and design factors affecting such as hours of operation, compaction cell depth / area ratio, especially at smaller sites.

The RWMP also notes that closure provisions do not exist for the existing landfill sites. Early closure of a site will therefore require funding by the respective Council's of the closure works from a source other than future gate fees for the site.

There is currently (and into the foreseeable future) a large volume of air space, engineered to current EPA standards, available at landfills to the north of metropolitan Adelaide for disposal rates which are lower than would be reasonably anticipated in a newly constructed regional facilities. Due to the whole of life costs associated with constructing and operating a landfill to the currently prescribed standards the option of transporting waste to Adelaide for disposal should be considered as a viable cost effective alternative to the investigation of sites for regional landfills.

The recommendation is supported in the context of an early investigation of alternative disposal options.

j) A uniform Schedule of fees and charges for waste disposal to be developed and adopted by all Councils in the Region. The fee schedule to reflect the true cost of waste disposal to the community and therefore encourage waste reduction and recycling.

The RWMP records that Council charges for gate fees are not regularly reviewed, nor do they reflect the true cost of waste disposal. The charging structure, like all Council charges, should be reviewed regularly. Establishing a regional price structure would also discourage waste being transported in from neighbouring districts.

However, implementing a fee schedule which reflects the true cost of waste disposal may have the unintended but highly probable consequence of an increase in illegal dumping due to the availability of alternative disposal sites.

Given the economic situation throughout the region due mainly to the drought, the ability of the public at large to pay increased gate fees must be carefully taken into account.

The recommendation is considered to have some merit.

k) Existing waste collection contracts to be terminated as early as practicable and tenders called for combined contracts for Councils in each sub Region.

The household waste collection practices of the Riverland Councils are:

Council	Frequency	Receptacle	Provider
Berri Barmera	Weekly	240 litre MGB	Riverland Litter
Loxton Waikerie	Weekly	240 litre MGB	Council Riverland Litter Fleming Randall
Mid Murray	Weekly	240 litre MGB	Fleming Randall
Renmark Paringa	Weekly	240 litre MGB	Garbusters

The RWMP concludes that there are economies of scale to be achieved by combining waste collection contracts.

With a common frequency and receptacle size amongst the Riverland Councils there may be opportunities to reduce the cost per collection for the service by offering the collection contract on a regional basis. However, whilst there may be an immediate financial advantage in this, the long term impact may be to reduce competition in the region.

If the Riverland Councils were to introduce household recycling or green waste service then one option may be to offer the three contracts individually rather than on a collective basis

Waste collection is primarily a transport based business enterprise and economies of scale are achieved through the effective utilisation of collection vehicles and drivers – combined with potentially more efficient collection routes. The report appears to imply the size of the contract i.e. the number of collections, will derive this economy of scale, rather than considering the current utilisation of collection vehicles and route efficiency in determining whether actual efficiencies can in fact be obtained.

Conducting an expression of interest process for the household waste collection services for the Riverland Councils rather than terminating contracts, as recommended, would be a more effective method of ascertaining whether economies of scale do exist.

The recommendation is therefore not supported.

l) For those Councils committed to day labour services, investigate the opportunity to share resources to create more efficient utilisation.

The District Council of Loxton Waikerie is the only Riverland Council which utilises day labour for a portion of its waste collection services.

Accordingly, there are no opportunities to create more efficient utilisation of day labour services amongst the Riverland Councils.

The recommendation is therefore not supported.

m) All Councils to implement accurate record keeping systems to determine the quantity of waste disposed of to landfill and quantities of materials diverted through recycling.

Accurate records are a foundation for sound decision making.

The implementation of accurate record keeping systems for waste disposed of at landfill, or diverted through recycling, will therefore enhance the quality of decisions made to allocate resources to waste or recycling activities.

The recommendation is supported.

n) Rationalisation of existing landfills and transfer stations to be commenced and progressed in accordance with an agreed implementation strategy.

The Riverland Councils currently have significant investment in the remaining landfill capacity, as detailed below.

The Berri Barmera landfill depot at Monash is classified as large (by the EPA) given its size and period of operation. The site has been estimated to have less than 3 years remaining life but Council is of the view that the site has a remaining life of between 5 and 10 years.

Loxton Waikerie maintains large and medium sized landfills at Loxton, Waikerie, Moorook (all with capacities exceeding 5 years as currently operated), and minor landfills at Alawoona, Merriabah and Paruna. No plan of rationalisation has been adopted by Council, and therefore the costs associated with any landfill closures or the provision of necessary transfer infrastructure (or additional transport costs) required to provide continuity of service are not currently budgeted.

Mid Murray Council operates medium sized landfill depots at Mannum, Cambrai and Morgan. The planned expansion at Cambrai will be classified as a large landfill. With limited remaining life of approximately 1 year at Morgan, and limited life and a desire to establish a transfer station at Mannum, there is the potential for 2 landfill closures prior to 1 July 2008. The Cambrai facility (and its potential expansion) could see this site in operation for some considerable time, and potentially beyond 1 July 2010 unless closed as part of a regional rationalisation.

Renmark Paringa Council has landfill depots located at Renmark (large) and Lyrup (small). Only small quantities of waste from nearby local residents are deposited at Lyrup, with all other waste being deposited at Renmark. Both sites have significant remaining potential life and no plan of rationalisation has been adopted by Council. This could see Renmark (and possibly Lyrup) potentially operating beyond 1 July 2010 unless closed as part of a regional rationalisation. The costs associated with any landfill closures or the provision of necessary transfer infrastructure (or additional transport costs) required to provide continuity of service are not currently budgeted.

The first milestone in the EPA Guidelines for the Environmental Management of Landfill Facilities is for closures to commence from 1 July 2008. This timeline is such that it gives only a relatively short timeframe to effect closure of a site.

Further, the timeline is such that it offers very little or no incentive to commit to closure unless this is already planned within this timeframe given the actual timelines associated with:

- development of new landfill sites (anticipated to exceed 2 years to receipt of waste)
- development of cell capacity to the guideline at an existing site (anticipated to exceed 1 year)
- development of transfer station facilities (requiring statutory approvals and funding)
- the Council budget cycle (March – June 2007) before which funds cannot easily be committed to such a significant change.

The impact of early closure of landfills (before their estimated airspace is consumed) brings forward considerable expenditure associated with closure and is likely to result in a multi million dollar exercise for the District Council of Loxton Waikerie alone, with no consideration made to date of the likely highly adverse financial implications to ratepayers as a result.

Closure provisions do not exist for the Riverland landfill sites and early closure of a site will require funding of the closure works from other than future gate fees for the site.

Without determining the closure and post closure requirements acceptable to EPA on a site by site basis, Council will be unable to establish a reliable estimate of these costs. Further, without an understanding of the timing required for closure, the financial impact on Council cannot be established. Clearly the impact would be large if significant un-budgeted costs are incurred in a short timeframe. Accordingly the respective Councils should consider the following actions:

- The Berri Barmera Council should review their estimates of capacity but seek to negotiate a closure date of 2010.
- The District Council of Loxton Waikerie should consider the closure of the relatively minor landfills at Alawoona, Merribah and Paruna and seek to negotiate the closure of the landfills at Loxton, Moorook and Waikerie at dates which relate to their available airspace capacity (2011/2012).
- The Mid Murray Council should consider closure of the landfills at Morgan and Mannum and the ongoing operation of the Cambrai site until 2010.
- The Renmark Paringa Council should seek to negotiate closure dates which relate to their available airspace capacity.

Whilst in principle the recommendation is supported, negotiating an acceptable timeframe relative to available airspace will be the key issue.

3. Conclusion

The importance of regional planning for waste management is emphasised in the South Australian Waste Strategy 2005-2010. The RWMP is a comprehensive document prepared for the Murray & Mallee Local Government Association with the assistance of Zero Waste South Australia. The RWMP endeavours to provide direction to the eight member Councils within the Murray & Mallee region, to achieve an integrated long term approach to waste management.

The region itself covers two distinct areas, being the Riverland and Mallee. The conclusions of this report have been formed with the interests in mind of those Council's who are defined as the Riverland Councils.

The Charter and powers of the existing Murray & Mallee Local Government Association is broad enough to provide an effective forum for discussion and to act as the conduit for seeking the financial assistance Zero Waste SA offers to regional groups, if councils were to pursue shared services rather than establishing an additional Regional Subsidiary.

The recommendations of the RWMP have broad reaching financial and policy implications for the member Councils and a number of alternatives are worthy of consideration before the Plan is adopted. In particular, the benefits of regionalisation and many of the outcomes sought from the recommendations could be achieved through greater regional co-operation – on a shared service or strategic alliance basis – rather than through the creation of a separate legal entity as contemplated in the Plan.

The recommendation to pursue the development of two regional landfills carries significant long term financial implications and alternative disposal options should be fully investigated in the market place, before making any commitment to new infrastructure.

The Riverland Councils are encouraged to a pursue regional co-operation through a shared services model: the first step towards this will require financial commitment to adequately resource the activity and the first project should be to call for expressions of interest to ascertain the most cost effective methods of:

- Waste collection
- Kerbside recycling
- Waste disposal.

We are pleased to enclose our Final Report, and ask that you do not hesitate to contact the undersigned if further information or explanation is required.

Yours sincerely
INSTATE Pty Ltd



Mark Booth
Director
Mobile: 0414 80 4949
Email: mbooth@brm.com.au

Attachment One

**Regional Subsidiary Executive Officer Sample Position
Description**

POSITION DESCRIPTION

Title	Waste Officer or Executive Officer
Reports to:	Board, Regional Waste Authority (MMRLGA or Riverland RWA)

1.1 Principal Responsibilities:

The Waste Officer / Executive Officer (WO / EO) of the RWA is responsible for providing the business management and business development leadership for the organisation.

1.2 Accountability:

The WO / EO reports to the Board of the RWA and is ultimately accountable for the overall effectiveness of the Authority, and the achievement of the objectives and key strategies outlined in the Business Plan. Performance will be measured against agreed targets and delivery of Business Plan outcomes.

1.3 Specific Duties will include:

Business Management:

Ensure the overall operations of the Authority are in accordance with the Strategic and Business Plans.

Provide direction and leadership to the RWA staff and ensure appropriate human resource management principles are adopted and implemented.

Provide accurate and timely reports to the Board in relation to overall financial and operational performance of the Authority.

Provide advice and leadership to the Board in terms of strategic planning and business planning.

Ensure financial returns and commercial returns on activities are optimised and meet set objectives.

Business Development:

Develop understanding and common approaches between all member councils and ensure involvement on regional waste issues, including providing leadership on waste management practices and policies to add value to member councils.

Ensure that effective relationships are maintained with all stakeholders.

Act as the nominated public spokesperson for the Authority, including undertaking liaison with appropriate external authorities, agencies and associated bodies.

Network, represent and promote the Authority within the industry and community in general to present a positive profile of the organisation.

Identify and analyse business opportunities related to the Charter and Business Plan of the Authority for consideration by the Board.

Serve on committees as appropriate.

Lobby on behalf of the Authority and the industry as appropriate.

Policy Development:

Lead the Authority in the development of waste management policies.

Support member councils in the development of sustainable waste management policies and practices and ensure that up to date advice is available to member councils in this regard.

Develop the strategies and processes to provide technical and research services to the Authority and member Councils, and to inform the waste industry.

Education:

Provide publicity and education services relating to the operations of the Authority to inform the community and the waste industry.

Provide of education services through a co-ordinated regional approach to achieve waste minimisation and management by adherence to the waste hierarchy that emphasises, in order of preference:

- Avoidance or reduction of waste – through waste minimisation and eco-efficient practices;
- Reuse – to conserve resources that otherwise would be consumed in production and recycling;
- Recycling – energy and resources consumed in recycling can be significant but are generally less than consumed for ‘first use’ materials;
- Energy Recovery – energy recovered from waste can be used as a substitute for fossil fuels;
- Treatment – to reduce the environmental impact of waste disposal;
- Containment – to reduce environmental impacts; and
- Disposal – in an environmentally-responsible manner.

PERSON SPECIFICATION

Professional Background and Experience:

The WO / EO will possess a successful track record in leading and managing a commercial business or government enterprise.

Skills and Knowledge:

- A strong understanding of the waste management industry
- Proven skills in business development and analysis -- including networking, advocacy and public relations.
- A sound understanding of local government
- Sound financial acumen.
- A sound understanding of environmental issues – including environmental liabilities and environmental sustainability.

Personal Attributes:

- Excellent communication skills, both written and verbal.
- The ability to develop and foster strong networks.
- An influencer and organiser.
- Strong leadership skills.
- Excellent presentation and representation skills.
- Hands-on and flexible and the ability to think laterally in addressing issues.
- High level negotiation and interpersonal skills.

Qualifications:

Formal qualifications in management , and qualifications in a field related to the waste management sector, are desirable