

Potential future governance options

There are a number of potential alternative governance models available that could be considered when determining how to improve waste management in the region in the future. While the following models are presented for consideration, they do not represent an exhaustive list as there are many variations of the options presented as well as other additional options that could be considered.

It should be noted that the options presented below are for consideration and discussion purposes only. Additional options could be added to this list, options may be removed as deemed fit or the proposed models could be amended. As part of the SWIP development process, in consultation with the SWIPWG, the models will be explored in further detail and criteria will be developed for assessing and selecting potential suitable future governance models.

1. Existing arrangements remain

Under this option the current waste roles of the Waste Authority, local government and DEC would remain unchanged would remain.

2. Single commercial processor with legislated monopoly

A private company could be given or sold a legislated monopoly giving it the exclusive right to provide waste processing services in accordance with government policy in the Perth metropolitan and Peel area. Waste processing would be conducted in accordance with government policy to meet government recycling and landfill diversion targets. Local governments would be required to send their waste to this waste processor. Common waste collection standards would be established to ensure a uniform stream of waste sent for processing. This monopoly could extend to non-local government waste and prices would be regulated by the Economic Regulation Authority.

3. Local government cooperative

All local governments in the region could be required to enter into a cooperative to jointly own and operate waste processing facilities, and to send their waste to these facilities. Common waste collection standards would be established to ensure a uniform stream of waste. Non-local government waste would be subject to commercial decisions.

4. State government authority

A Government Business Enterprise could be established to provide waste processing services that would take all local government waste. Waste processing would be conducted in accordance with government policy to meet government recycling and landfill targets. Local governments would be required to send their waste to this facility. Prices would be determined by the Economic Regulation Authority and policy and regulatory matters would be addressed by a new Waste Branch in the Public Utilities Office. The facility would be open to non-local government waste but with no compulsion to use it.

5. Statutory authority to manage waste flows

A new statutory authority could be established to that would have the function of monitoring waste and determining how it should be treated. The key criteria for determining treatment options would be meeting the targets in the waste strategy. The authority would allocate waste to commercial, local government and RLG facilities on a least cost basis and would invite tenders from various types of facilities to process waste. The authority would not own any facilities itself, relying on existing and new facilities provided by local governments and commercial entities.



Assessment criteria

There are a range of issues that need to be considered when assessing the suitability of different governance models for delivering waste management infrastructure in the Perth metropolitan and Peel region. These issues can be grouped under five criteria against which the suitability of the governance models can be assessed. The assessment criteria and the issues that underpin these are set out below.

A. Alignment with State Government policy priorities

To be consistent with the State's policy priorities, a future waste model will need to be capable of meeting growing demand for waste management while diverting an increasing proportion of waste away from landfill and towards recycling and other alternative waste processing treatments. A governance model would also need to be consistent with other state government policies, such as public service structures and planning policies.

B. Financial impact on Government

The financial impact of any alternative governance model on Government debt and expenditure is a significant consideration when assessing appropriateness.

C. Ability to improve efficiency of waste management

The ability or efficiency of any alternative governance model to improve waste management outcomes and assist in achieving the Waste Strategy targets is critical when determining if they might be appropriate for the region. Key considerations under this criteria would be the ability of alternative models to:

- generate appropriate economies of scale,
- generate appropriate economies of scope,
- better coordinate waste inputs and
- provide incentives for the waste sector to improve its efficiency.

D. Ability to facilitate better planning for waste infrastructure

Any governance model will need to be able to enable better planning for the waste infrastructure needs of the region as it heads to a population of 3.5 million by mid-century.

E. ACCC/Trade Practices Considerations

Under the WARR Act, local governments have an effective monopoly over municipal solid waste collection in their area, although not for other types of waste. Consideration of the case for monopoly under alternative governance arrangements would need to take account trade practices considerations.

F. Ease of implementation

An important factor for the State Government will be how simple a particular option is to implement. How difficult it would be to transition to a new arrangement would also be a consideration.

Providing feedback

The SWIPWG would welcome your input on the proposed assessment criteria. Please email comments and feedback to swipwg@dec.wa.gov.au

