



# URBAN EP

## Feasibility Study into a Statewide Waste Management Arrangement

**Part A summary report – Needs and benefits study**

Prepared for

**Local Government Association of Tasmania**

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# Feasibility study into a Statewide Waste Management Arrangement for Tasmania – Part A

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## List of acronyms

CCA	Cradle Coast Authority
CCWMG	Cradle Coast Waste Management Group
CDL	Container Deposit Legislation
DPIPWE	Department of Primary Industries, Parks, Water and Environment (Tasmania)
EPA	Environment Protection Authority (of Tasmania, unless otherwise stated)
ILM	Investment Logic Map
LGAT	Local Government Association of Tasmania
NTDC	Northern Tasmania Development Corporation
NTWMG	Northern Tasmania Waste Management Group
STCA	Southern Tasmanian Councils Authority
SV	Sustainability Victoria
WSS	Waste Strategy South

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- EPA Tasmania
- Cradle Coast Waste Management Group and member councils
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# 1. Introduction

This report summarises the findings and recommendations on the needs that can be met and benefits that can be delivered by a statewide waste management arrangement for Tasmania. This 'statewide arrangement' grants an opportunity to deliver a number of functions and services to support better waste management across the state, and to complement existing actions and initiatives delivered at state, regional and local scales.

This report satisfies the first stage (i.e. 'Part A') of a two part feasibility study undertaken on the Local Government Association of Tasmania's (LGAT) behalf. In reading the report and its recommendations, LGAT and its partners can make an informed decision to progress with the second part of the feasibility study (i.e. 'Part B').

This second part explores and assesses different approaches to deliver an agreed statewide arrangement; prioritises the allocation of responsibilities to various bodies; and guides interactions across statewide, regional and local spheres of activity. It positions LGAT and its partners to implement a statewide arrangement that is geared towards efficient and confident delivery, and assign roles to entities that have an interest in and capacity to deliver benefits for Tasmania's people and the environment.

## **Feasibility study for a Tasmanian Statewide Waste Management Arrangement**

**Part A (Jan – April 2019):** Collate evidence and present findings on the needs for and benefits of a Statewide Waste Management Arrangement ('statewide arrangement').

**Part B (May – July 2019):** Develop the purpose, role, functions and governance apparatus of this statewide arrangement as necessary for planning, co-ordinating and delivering statewide waste policies, strategies, programs and services.

Drivers for this work include a range of connected concerns that have been expressed by stakeholders:

- Waste management service levels and outcomes in Tasmania lag behind those of the mainland states
- A range of benefits that stem from better waste management will remain unrealised for the foreseeable future (in the absence of change)
- The timing, scope and ambition to finalise and implement a Tasmanian Waste Action Plan, currently being developed by the Tasmanian Government, remain uncertain
- The lack of progress in and political indifference towards addressing the state's waste management challenges causes Tasmania to be increasingly 'out of step' with the more proactive national agenda for waste policy, as set out in the *National Waste Policy 2018*.

The project responds to these drivers by providing an evidence base for the need for action at a statewide level. This evidence base accounts for Tasmania's unique characteristics and acknowledges the continuance of a strong regional and local contribution to waste management outcomes on the island.

## 2. Methods

Findings for Part A of the feasibility study were prepared through five components of work, completed from January through April 2019.

1. Review of existing Tasmanian waste management arrangements at local, regional, state and national scales.
2. Workshops<sup>1</sup> with stakeholders to incorporate:
  - Waste management priorities
  - Perceptions of where arrangements are achieving and are underperforming
  - The nature of problems that underlie important areas of underperformance
  - Potential solutions, drawing on problem insights shared by stakeholders.
3. Preparation of abridged Investment Logic Maps that define and link problems (such as market failures and organisational deficiencies), benefits, and functions necessary for the arrangement to deal with a set of identified challenges in waste management. These functions are examined in light of National Waste Policy and the development of a Tasmanian Waste Action Plan, led by EPA.
4. Comparison of proposed functions with arrangements adopted in nearby jurisdictions, to better understand how the proposed statewide arrangements relate to current directions and ambitions pursued on mainland Australia and in New Zealand.
5. Exploration of aspirations and ambitions that a statewide arrangement for waste management could be applied towards. Stakeholders had expressed an interest in pursuing a circular economy transition to varying degrees, while adopting measures that improved how existing services and markets function. In examining how a circular economy may be pursued for Tasmania, the study sheds light on the extent that benefits may be captured, and the balance of effort to direct towards different statewide functions to realise them.

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<sup>1</sup> A workshop summary report has been separately provided for LGAT's records.

### 3. Current waste management arrangements in Tasmania

Part A of this study determines the needs and benefits in establishing a statewide arrangement for waste management in Tasmania. To proceed, it is useful to take stock of current arrangements that may be in place at local, regional, whole-of-state and national scales. This process allows for a proposed statewide arrangement to avoid duplication, interact constructively and align with other layers of responsibility that relate to waste management.

While the long form report carries greater detail on current waste management arrangements, Table 1 below presents an overview of public roles (functions) presently performed in Tasmania, at local, regional and state scales.

Table 1: Functions to support, improve and deliver waste management services at local, regional and state scales.

Function	Explanatory notes	State	Regional	Local
Regulation of waste management / litter	Covers regulation, investigation, issuance of penalties, prosecution etc.	✓		✓
Engagement, education & communications	Guidance and education on preferred practice and conduct	✓	✓	✓
Strategy development	Development of strategies, vision, and associated actions	✓	✓	✓
Data gathering	Data gathering in support of strategy and/or operations	✓	✓	✓
Initiative funding	Funding to meet strategic objectives via programs, pilots etc.		✓	✓
Infrastructure funding	Provision of capital in support of strategically aligned infrastructure		✓	✓
Procurement support for waste services <sup>‡</sup>	Advise, support and navigate procurement processes		✓	
Coordination of actions and commitments	Coordination of core stakeholders and/or members		✓	
Procurement of services <sup>‡</sup>	Waste, recycling, organics, hard waste, chemicals etc. related services		✓	✓
Advocacy and input <sup>‡</sup>	Development of positions and representation in support of reforms	✓	✓	✓
Market instruments	Application of charges and levies etc. to alter market landscape		✓	
Ownership / operation of facilities	Ownership and operation of landfills, transfer stations, MRFs etc.			✓
Maintenance of public spaces	Park maintenance, street sweepings, facility waste management			✓
<sup>‡</sup> <i>Procurement support</i> , <i>direct procurement of services</i> , and <i>advocacy and input</i> are functions that include activities performed by LGAT on behalf of its member councils.				

This review finds that current statewide roles are limited, focusing on:

- **(EPA led) regulatory processes** such as guidelines; permit, licence and works approval processes; investigation and evidence gathering; and penalties and enforcement.
- **Education and engagement** through two separate streams:
  - 1) Through the *Rethink Waste* website supported by the three regional bodies
  - 2) EPA's website, containing educational and engagement resources.
- **Strategy and action plan development** through current development of the Waste Action Plan by the EPA, and Department of State Growth's development of a framework for bioenergy (which is yet to establish links to waste outcomes).

Other jurisdictions (see Section 6) have moved beyond this regulatory focus and deploy a wider range of tools at a statewide scale, with these wider obligations often prescribed in legislation. Their wider commitment reveals that the more limited approach taken by Tasmania is atypical, and a willingness for Tasmania to develop further functions is likely to be welcomed by industry.

Table 1 clearly shows that the majority of public roles supporting waste management in Tasmania occur at local and regional levels. Their functions and outlooks are shaped to the needs of each region. There is no evidence of incentives or requirements from state government for increased consistency in or coordination across regional approaches, to ensure benefits are realised across the state. Any coordinated approaches are largely self-organised, driven and resourced by the regional authorities (e.g. *Rethink Waste* and related communications). Within this approach with its dominating reliance on local and regional leadership, it is not clear how any national- or state-driven priority (if defined) could be consistently driven across the state.

This study of current arrangements shows that momentum and achievement at local and regional levels may vary within and across regions:

- Not all of Tasmania's councils derive benefits from membership in a regional waste management arrangement, with the more remote councils being less inclined to be part of a regional arrangement, and with some regional authorities (notably in the south, at the time of writing) undergoing periods of membership instability.
- Two of three regions use a 'voluntary' landfill levy to drive investment in regional waste activities while the other relies on budget contributions from councils that are allocated on an annual basis. These different funding arrangements seemingly affect the level of continuity and confidence that a regional authority brings to its operations and business planning activities, and may influence what can be achieved.
- Subsets of councils own significant regional assets, i.e. Dulverton Waste Management and Southern Waste Solutions are owned by joint authorities in the northwest and south respectively, with collective ownership of assets seemingly more common than collective or group procurement of services. Anecdotally, this may affect perceptions as to whether each council's access to infrastructure and services is transparent and equitable, which in turn may affect councils' ability to collectively negotiate efficient service delivery arrangements.

Current arrangements indicate that there is scope for Tasmania to take on a range of activities to better support and direct waste management at a statewide scale, should there be merit in doing so. As well as improving the response to a range of problems of statewide significance (covered in the next section), this may better prepare the state to leverage the current national momentum for better waste management and to augment local and regional leadership.



### Recommendations:

1. An expanded statewide arrangement should in principle and practice, seek to maintain, provide for and leverage a minimum capacity and capability at the regional scale as a component to delivering on statewide goals. This may be achieved through supporting an agreed set of core functions within each region.
2. An expanded statewide arrangement should provide a minimum level of service and support to all Tasmanian councils, irrespective of their membership in a regional authority.

## 4. Demand for a statewide arrangement

Five workshops were held with stakeholders including the regional waste management authorities; council officers, executives and elected councillors; representatives from the resource recovery sector; and Tasmanian Government officials with an interest in the area.

Despite affirming local, regional and state achievements over the years, workshop participants expressed a strong and common view that current waste management arrangements fall short of what may be achieved with the addition of a suitable statewide contribution. They identified a breadth of areas associated with waste management and resource recovery where this arrangement could respond to challenges and deliver benefits.<sup>2</sup> On this basis, the stakeholders explicitly demonstrated the consensus that an appropriate statewide arrangement for waste management is urgently needed in Tasmania.

Four problem areas were identified by stakeholders (see Table 2) as priorities for the arrangement to attend to, to bring value to the community and protect the environment:

1. Poor cohesion in the demand for organics recovery services
2. Insecure market for investing in recovery infrastructure
3. Risks and harms incurred by tyre stockpiles and illegal dumping
4. Resource inefficient use of single use plastics and packaging.

Table 2: Selection of each priority problem area as a theme to explore in detail during Part A workshops (Marked cells refer to where the stakeholder group expressed strong interest in having the statewide arrangement address the problem area).

Problem area	Southern region councils	Northern region councils	Northwest region councils	State government	Resource recovery sector
Lack of cohesion in demand for organics	●	●		●	●
Illegal dumping and/or tyre stockpiling	●	●	●	●	
Insecure market for investing	●	●	●	●	●
Resource inefficient use of plastics & packaging	●	●	●		

<sup>2</sup> These areas are listed in detail in the long form report, Appendix 3.

The level of stakeholder consensus indicates that benefits will be shared across the island and stakeholder groups rather than accruing to any particular interest groups. This can be re-confirmed during Part B of the feasibility study by further widening the range of stakeholders consulted, and as different models for apportioning roles and responsibilities are tested.

Depending on the needs of partners and stakeholders and how they shift in response to the operating landscape, the priorities that the statewide arrangement focuses its efforts on can be re-aligned over time. That is, the above problems are a suggested starting point to build from.

## 5. Functions and benefits of a statewide arrangement

Engagement with stakeholders reveal the opportunity to address perceived shortcomings and problems in how waste management functions are delivered in Tasmania. An abridged Investment Management Standard process<sup>3</sup> was followed for this project, where:

1. A number of priority problem areas were selected (see Table 2 above), based on challenges confirmed by waste management stakeholders during workshops held across Tasmania.
2. These problem themes were examined according to the prevailing features that obstruct the delivery of optimal services and outcomes, or otherwise impair public benefits and damage the environment.
3. Each problem was re-cast in terms of the benefits that could be attained in addressing the problem, and government functions were put forward as a means to address those problems and deliver related benefits.
4. Functions were then reviewed for whether they were best delivered at a statewide level. Responding actions to use at local and regional scales were also proposed as a way to deliver a coordinated approach.
5. Proposed functions were finally considered in light of their interdependencies and the necessary phasing in of 'clusters' of functions that follow a logical order of precedence.

This section presents the findings determined through the above sequence, and specifies a statewide arrangement that inherently delivers public value. The proposed scope of functions are examined in light of their alignment to the principles set out in the *National Waste Policy 2018* and draft priorities that the Tasmanian Waste Action Plan is being developed upon.

### Proposed functions and their phasing in over time

Based on the above procedure, the proposed model would phase in up to thirteen functions for a statewide arrangement over time (see figure overleaf, green box on right). This would deliver multiple benefits across Tasmania's reputation, human health and the environment, and stimulating economic development (figure overleaf, blue boxes on lower left).

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<sup>3</sup> An abridged process (see Appendix 1 of long form report for method details) was used on the basis that the preferred approach which involves a series of workshops to progress through the method is not feasible during this project. However, because the intent of the project is to set out the need for a given set of statewide functions / interventions, rather than to justify a large public outlay or commitment, this abridged approach does not substantially introduce a significant risk to the process.

# Tasmanian statewide waste management arrangement

## Problems to address

1. Poor cohesion in the demand for organics recovery services
  2. Insecure market for investing in recovery infrastructure
  3. Risks and harms incurred by tyre stockpiles and illegal dumping
  4. Resource-inefficient use of single use plastics and packaging
- ... plus others to be agreed with waste management partners

## Benefits

### Enhance Tasmania's image

Positive culture towards waste management and 'faith in the system'

Climate change tackled through local solutions

Tasmania seen as valuing its natural assets

Narrative to attract visitors, residents, investors

Tasmania as a leader in tackling problem wastes

Government delivering on expectations to help people lead lower impact lifestyles & businesses

### Protect health & the environment

Effective prevention & inhibition of littering, dumping and stockpiling

Cleaner & safer environment due to less illegal dumping & litter

Low reliance on landfills - lower landfill impacts including gas emissions, leachate, odour and amenity impacts

Greater self assurance in how to recycle

Soil quality improved using locally recovered material

Efficient resource use embedded in consumer decisions

### Foster economic development

Natural assets retain value and are untarnished

Brands that rely on a clean image of Tasmania retain market credibility

Resources are recovered and used, in line with the scale of opportunity

Efficient private & public investment in recovery infrastructure and jobs

Efficient service prices that reflect demand over time

Strong local markets for recovered resources

Lower costs & risks borne by the recovery chain

## Functions

1. **Vision statement** for waste management / circular economy in Tasmania, linked to a **credible commitment** to take action.
2. **Statewide infrastructure & service planning** and scheduling.
3. **Development of strategies for priority items**, including:
  - organics from municipal and commercial sources
  - end of life tyres
  - single use plastics and non-recyclable packaging
  - others identified as a priority for Tasmania.
4. **Statewide data collection, analytics and reporting:**
  - tracking and investigating illegal dumping incidents
  - volume of waste generated and services demanded at statewide & regional scales
  - projection of capacity needs for infrastructure and services
  - to inform preferred interventions to problem materials.
5. **Governance and collaboration models** to engender trust & commitment:
  - to support surveillance & remediation of dumping sites
  - to build certainty for new services & assets to come online.
6. **Local government engagement and procurement support** to lock in demand for new services and facilitate efficient use of assets.
7. **Coordinated education, engagement and marketing:**
  - to ostracise illegal dumping and encourage reporting
  - to foster acceptance and uptake of new recovery services
  - to stimulate demand for recovered resources
  - to support best practice in local and regional services
  - to guide consumer & purchasing behaviours and decisions.
8. **Statewide enforcement and prosecution** of stockpiling in breach of licence conditions, and illegal dumping.
9. **Market development measures including sustainable procurement:**
  - to stimulate markets for resources recovered locally
  - to foster the replacement of non-recyclable and single use items with reusable / recyclable / recycled content items.
10. **Coordinated advocacy and policy input** at the national level, where national solutions are deemed to be more effective.
11. **Product stewardship of priority items** including product re-design and takeback arrangements (e.g. CDL)- *pending examination of net benefit.*
12. **Infrastructure funding** to stimulate investment in recovery assets
  - *Pending private investment gap analysis & case for public funding.*
13. **Market and/or statutory instruments** (e.g. levies, bans from landfill) to address gate fee differentials
  - *Pending an analysis of gap between gate fees for new services and willingness to pay above existing landfill rates.*

These thirteen functions of a statewide arrangement can be organised into three clusters:

- Functions to support situational awareness and direction setting (Functions 1 to 4)
- Functions to support and influence primary stakeholders (Functions 5 to 10)
- Dedicated intervention measures backed by accumulated evidence (Functions 11 to 13).

As detailed in the long form report, a suitable approach to building up functions for a statewide arrangement may be to phase in clusters of functions according to a logical sequence. In this approach, early stages of the statewide arrangement would focus on processes to:

- Set out a vision and strategic planning on priority components
- Take stock of current infrastructure and services at state and regional scales, and review their fitness for Tasmania's future needs (in light of an agreed vision and direction)
- Plan and invest in a robust and needs-driven data framework, that supports planning and delivery at statewide, regional and local scales; and enables the preparation of materials to support different stakeholders who play a role in the transition to better outcomes.

A phased approach allows time for the arrangement to concurrently plan for and build capacity for core and ongoing 'on the ground' activities (Functions 5 to 10); and to collect and develop robust evidence to inform how infrastructure grants, product stewardship for priority items (such as a container deposit scheme for beverage packaging), and market instruments would optimally work in Tasmania (Functions 11 to 13).

As shown in the above diagram (in blue, lower left corner) the arrangement has the opportunity to deliver multiple benefits to Tasmania and its environment. Whether the arrangement maximises these benefits rests upon the ambition, vision and commitment of partners invested in the statewide arrangement. A strong adoption of circular economy principles while also attending to waste management standards, practices and competitive efficiencies would help to achieve benefits for Tasmania. Resourcing of the arrangement and related activities should be commensurate with the problems and opportunities at hand.

## **Funding a statewide arrangement**

None of the recommended functions dictate a specific funding model, and could be funded through one or more mechanisms including the following (as examples):

- Agreed commitments from partners over a preferred funding cycle (e.g. from their operating budgets)
- State budget allocation processes
- Limited project funding (which may include state and/or Commonwealth contributions)
- Landfill levy<sup>4</sup> revenue hypothecation arrangements, as used by some mainland states.

These options can be further explored in Part B of this study, and need to be viewed from a range of viewpoints to ensure a level of stability, efficiency and consistency with the purposes behind establishing a statewide waste management arrangement.

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<sup>4</sup> Pending decisions on the adoption / continuity of landfill levies at state and regional scales and acknowledgement of a relationship to funding waste management activities.

## Benefits derived from a statewide arrangement

Benefits aggregated from addressing all four of the initial problem areas are summarised in the figure above<sup>5</sup> and are spread across reputational improvement, economic stimulus, and protection of the environment and human health. As the statewide arrangement takes on a wider range of challenges in waste management in response to needs and demands, the range of benefits may similarly expand.

At this stage, these benefits cannot be verified or quantified until a further level of detail relating to ambitions and target outcomes is confirmed. That is, they remain nominal until partners co-investing in the statewide arrangement make a credible commitment to realise those benefits. Based on a consideration of driving principles used to direct the statewide arrangement (explored later in this report), it is argued that a strong adoption of circular economy practices and adequate resourcing would help to maximise the benefits.

## Aligning functions of a statewide arrangement to national and state policy and plans

The proposed functions under a statewide arrangement map well against the five principles of the National Waste Policy 2018 as set out below (Table 3).<sup>6</sup> Improved alignment with national direction should improve Tasmania's ability to leverage national momentum (and any future support) for better waste management, adding value to local, regional and state leadership.

Table 3: Principles included in and guiding the National Waste Policy 2018.

<b>5 principles set out in <i>National Waste Policy 2018</i></b>
1. Avoid waste
2. Improve resource recovery
3. Increase use of recycled material and build demand and markets for recycled products
4. Better manage material flows to benefit human health, the environment and the economy
5. Improve information to foster innovation, guide investment and inform consumer decisions

Guidance from the EPA indicates that the development of the Waste Action Plan will be structured into six themes. In principle, the proposed statewide arrangement could integrate positively with the final Waste Action Plan (see Table 4 below), and may provide a suitable framework to apportion and share implementation responsibilities (pending Part B findings on a recommended configuration and governance for a statewide arrangement).

In effect, local government and other partners' planning on the statewide arrangement (guided through this project) will help them proactively negotiate on the scope and assignment of responsibilities identified as necessary to deliver the Tasmanian Waste Action Plan, pending its release.

<sup>5</sup> Details of each benefit linked to individual problem areas are in Appendix 4 of the long form report.

<sup>6</sup> Further explanation of links between individual national waste policy principles and the proposed functions are set out in the long form report, Section 5.3.

Table 4: Waste Action Plan themes (in development, provided by EPA) and how they intersect with the proposed statewide arrangement.

Action plan theme	Statewide arrangement links
<b>Governance</b> <ul style="list-style-type: none"> <li>Statewide arrangements</li> <li>Roles &amp; responsibilities</li> </ul>	<p>This study proposes statewide arrangements to deliver benefits by design. Governance settings, including roles and responsibilities across a number of functions, are to be resolved during Part B. Governance and collaboration expertise is also a capability set out in the suggested arrangement.</p>
<b>Data, target setting &amp; innovation</b> <ul style="list-style-type: none"> <li>Develop targets</li> <li>Improve data to support investment</li> <li>Bolster innovation &amp; research networks</li> </ul>	<p>Vision and targets are posed as priorities for the arrangement to implement, along with improved data collection and reporting. Data management is recommended as requiring a joined up approach.</p> <p>Innovation funding is proposed as a potential means to lift the viability of the recovery sector, although end purposes and outcomes need to be defined with respect to circular economy opportunities.</p>
<b>Infrastructure planning</b> <ul style="list-style-type: none"> <li>Develop resilient markets</li> <li>Account for projected needs</li> </ul>	<p>Infrastructure planning has been explored as a critical priority for waste management, with a set of responding functions proposed in Appendix 4.</p> <p>Up to five statewide functions are suggested as being directly applicable to infrastructure planning and granting investor certainty, and other functions may have a supporting role to deliver an environment in which infrastructure delivers optimal returns to the community and private investors.</p>
<b>Support for industry</b> <ul style="list-style-type: none"> <li>Cross sector collaboration</li> <li>Market development &amp; procurement</li> </ul>	<p>The proposed arrangement recognises the need to support industry in its role in transitioning to a circular economy, where there is evidence that this support is vital. Should Tasmania commit to an ambitious circular economy vision, market development and procurement will become high priorities.</p>
<b>Education</b> <ul style="list-style-type: none"> <li>Enhanced community engagement and education</li> <li>Roll out of state government election commitments</li> <li>Private sector promotion and marketing of goods with recycled content</li> </ul>	<p>Education is a stated priority for a statewide arrangement to deliver on, with responding functions at the regional and local level. Education is particularly relevant with regard to:</p> <ul style="list-style-type: none"> <li>Reducing dumping and guiding communities and business to reporting on and discouraging illegal waste management practices</li> <li>Gaining community buy in for the transition to organics reprocessing services</li> <li>Improving the quality and volume of recovered materials collected from the kerbside and elsewhere, and transitioning to lower impact consumer decisions and business practices</li> </ul>
<b>State-national policy</b> <ul style="list-style-type: none"> <li>Align state and national settings</li> <li>Specify standards for recycled materials</li> </ul>	<p>State-national policy links are not a focus area for this study (but refer to Section 3.5 for a review of interactions. A statewide arrangement that coordinates across local, regional and state government levels will best position the Tasmanian Government to engage with the Commonwealth, noting that policy input and advocacy is recommended as a function for the arrangement to adopt.</p>



## **Promoting collaboration across state, regional and local levels**

Local and regional actions that could be applied in response to each statewide function have been mapped out and are provided in Table 5 overleaf. It shows that opportunities to be involved can be coordinated across different scales. This coordination model will help local governments and regions plan for and capture the benefits that a statewide arrangement offers.

The project team concedes that some of the areas described in Table 5 may already be actively delivered in different regions and council areas. Yet having additional support at a statewide level may engender improved outcomes and efficiencies at these more localised levels. Further, it is through aligning different levels of decision making, investing and taking action that a strategic approach to waste management in Tasmania may be effectively delivered with strong support across the island.

The project team understands that, at the time of writing, one of the regional authorities is undergoing substantial change in its membership composition. Up to four councils may elect to discontinue membership in their regional joint authority in the next financial year, disconnecting them from the services and responsibilities delivered by the regional waste management organisation delegated under that joint authority.<sup>7</sup> This development is important as it illustrates that a statewide arrangement will need to be able to cope with a degree of variation across Tasmanian regions and over time, with respect to the capacity of regional authorities to deliver functions for and represent the interests of different local governments.

While the statewide arrangement could in itself be a stabilising influence, depending on the resilience it can introduce and foster at local and regional levels, it also needs the means to provide functions and services irrespective of changes in regional capabilities. This will be explored further during Part B of the feasibility study.

Should a statewide arrangement come into being in Tasmania informed by this feasibility study, the suggestions in Table 5 may be useful as a starting point to negotiate respective roles through a more formal process. This process might review and harmonise activities at different scales of operation, and enshrine particular roles/actions through suitable governance apparatus and resourcing mechanisms.

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<sup>7</sup> This understanding is based on advice provided by LGAT and regional authorities.

Table 5: Suggested functions and actions at regional and local scales, that correspond with proposed statewide waste management arrangement functions.

Statewide function	Regional function / action	Local function / action
Vision statement linked to a credible commitment	Regional waste management & resource recovery strategic plan	Local government waste strategy and deployment of services in line with state and regional goals
Development of strategies for priority areas		
Statewide infrastructure and service plan	Regional infrastructure schedule and plan	Input to regional and state infrastructure plan based on projected needs and service objectives
Data collection, reporting and analytics	Input into requirements based on member needs and constraints, regional strategic objectives	Input into requirements based on needs and constraints, commitment to submit data
Governance and collaboration models	Participation and input to collaboration processes	Participation and input to collaboration processes
Council engagement & procurement support	Partner in engagement & procurement services	Participation as client in procurement support
Coordinated engagement & education programs	Partner in coordinated engagement and education planning, oversight and evaluation	Education program delivery and evaluation
Statewide enforcement & prosecution	Assist to mediate and communicate respective roles in enforcement and prosecution	Partnership in enforcement and prosecution (e.g. surveillance, investigations and reporting roles)
Market development & sustainable procurement	Review of regional opportunities in line with economic development drivers Draft guidance and assist roll out of sustainable procurement in the region	Uptake of sustainable procurement policies Partner in stimulating market development in the local area Trialling of new product applications (e.g. testing specifications and medium scale applications)
Coordinated advocacy & policy input	Coordination of member views and input; and formulation of regional positions	Input into regional and state positions; coordination / collaboration across peer councils
Product stewardship	Input into product stewardship models Review how product stewardship options interact with regional strategic plans, member services, regional communities and economies	Consultation of impacts on local economies and communities Opportunity to deliver services and trial programs
Infrastructure funding	Review of infrastructure needs and opportunities in line with regional schedules and strategic plans Coordination of responses across region	Opportunity to seek infrastructure funding to improve council-owned facilities and services
Market and statutory instruments	Potential role in implementation, collection and/or allocation, depending on model adopted	Potential role in implementation, collection and/or allocation, depending on model adopted



**Recommendations:**

3. LGAT to note that the stakeholder engagement and analysis in Part A of this project supports the needs for and benefits of a Statewide Waste Management Arrangement, and that those benefits may be shared across state, regional and local levels.
4. LGAT to note the functions proposed in completing Part A of the feasibility study, as providing a statewide arrangement with a suitable scope of responsibilities to deliver the recognised benefits and address priority problems identified by stakeholders.
5. LGAT to support Part B of the project to further develop the purpose, role, functions and governance apparatus of the statewide arrangement as necessary for planning, co-ordinating and delivering statewide waste policies, strategies, programs and services.

## 6. Alignment with directions taken by mainland states

The proposed arrangement is consistent with the direction of all the mainland Australian states (see Table 6 overleaf for a summary of functions adopted or proposed for each location).

- South Australia (2015-16 recycling rate of 78 %), Victoria (68 %) and New South Wales (59 %) have had similar functions in place since 2014-15, and are leading the country in terms of resource recovery rates.
- Western Australia (53 %) and Queensland (44 %), two historic 'laggards' compared with other mainland states, are moving towards recycling targets of 75 %. They expect to have expanded Waste and Resource Recovery Strategic Plans and arrangements in place by the end of 2019 (Western Australia is now finalised, Queensland is in public draft stage), with a strong commitment to circular economy approaches.

New Zealand is also a useful comparison in terms of what it is not doing, its limited recycling performance (28 %), and the level of criticism this has attracted. Current statewide arrangements in Tasmania arguably have more in common with New Zealand's current national arrangements than they have with the direction taken by other mainland states.

It is instructive to look at public funding levels committed in each state. Public investment in improving waste management in Tasmania via the regional authorities (using landfill levies and council budget allocations paid to regional authorities) is presently around \$1.1 million per year. This is in lieu of an ongoing state government budget dedicated to waste related matters. Allowing for differences in the volume of waste generated in each state and in New Zealand, this \$1.1 million is substantially less than the state government outlays provided by all mainland Australian states and national outlays implemented by the New Zealand Government.

For example, if the mainland states carried their current (or in Queensland's case, proposed) funding models across to Tasmania, and adjusted for Tasmanian volumes of waste to landfill, they would be investing between \$6.4 million and \$21 million in a statewide arrangement and its activities each year. That is, between six and twenty times the present level of investment committed via the regional authorities. (While Western Australia's investment would equate to \$5.5. million, it is presently reviewing its landfill levy and funding settings on the basis that they may not sufficiently support the new waste strategy.)

This disparity suggests that in pursuing a functionally effective statewide arrangement, the scope of activities and level of investment are both critical to achieving the benefits for Tasmania.

Table 6: A comparison of functions deployed in Australian mainland states and in New Zealand, with additional comparative information.

	<b>Tasmania <i>proposed</i></b>	<b>Western Australia</b>	<b>South Australia</b>	<b>Victoria</b>	<b>New South Wales</b>	<b>Queensland <i>from 1/7/19</i></b>	<b>New Zealand</b>
Timeframe of present strategy / plan	n/a	2019 – 2030	2015 – 2020	2015 – 2025	2014 – 2021	2019 – 2050	2010 onward
Vision statement	✓	✓	✓	✓	✓	✓	✗
Strategies developed for priority areas	✓	✓	✓	✓	✓	✓	✗
Statewide infrastructure and service plan	✓	✓	✓	✓	✓	✓	✗
Data collection, reporting and analytics	✓	✓	✓	✓	✓	✓	✗
Governance and collaboration models	✓	✓	✓	✓	✓	✓	✗
Council engagement & procurement support	✓	✓	✓	✓	✓	✓	✗
Coordinated engagement & education	✓	✓	✓	✓	✓	✓	✓
Statewide enforcement & prosecution	✓	✓	✓	✓	✓	✓	✓
Market development & sustainable proc.	✓	✓	✓	✓	✓	✓	✗
Coordinated advocacy & policy input	✓	✓	✓	✓	✓	✓	✗
Product stewardship (including e.g. CDL)	✓	✓	✓	✓	✓	✓	✗
Infrastructure funding	✓	✓	✓	✓	✓	✓	✓
Market and statutory instruments	✓	✓	✓	✓	✓	✓	✓

2016-17 recycling rates *	49 %	53 %	78 %	68 %	59 %	44 %	28 %
Recycling rate target for strategy endpoint	n/a	75 %	70 to 90 %	n/a	75 %	75 %	n/a
Generation (kg/cap yr) (2014-15) *	1,837	2,623	2,527	2,216	2,144	2,210	3,200
Metropolitan landfill levy rate (2018-19) <sup>†</sup>	\$5 (current)	\$70	\$100	\$64.30	\$141.20	\$75	\$NZ10
Public investment level (adjusted to Tasmanian tonnages)	\$1.1 m (i.e. current)	\$5.5 m	\$19.9 m	\$6.4 m	\$6.4 m	\$21.4 m	\$NZ 4.5 m

\* References:

Australian figures: Commonwealth Government, *National Waste Report 2018* (recycling rates) and *National Waste Report 2016* (waste generation per capita).

New Zealand figures: Eunomia, *The New Zealand Waste Disposal Levy*, 2017.

<sup>†</sup> Tasmanian landfill levy based on regional rates. Queensland landfill levy rate relates to 2019-20 (i.e. proposed). Western Australia landfill levy currently under review.

**Recommendations:**

6. LGAT to note that, should Tasmania fail to install and fund a comprehensive and ambitious statewide arrangement including functions as set out in this report, it is likely to miss out on the benefits that are propelling the other states into action.
7. LGAT to note funding allocations in other jurisdictions, adjusted to Tasmanian tonnages to landfill, equates to investing between \$6.4 and \$21 million in a Tasmanian statewide waste arrangement each year.

## 7. A framework that responds to Tasmania's features

During workshops with stakeholders, participants freely mentioned some features that define Tasmania's operating landscape for waste management and resource recovery, such as:

- The costs of exporting recovered materials off the island, and risks associated with trying to sell recovered materials in distant overseas markets (i.e. in China and southeast Asia)
- Logistical costs associated with aggregating material volumes in the country's least populous state, particularly for more challenging or smaller volume materials
- Difficulties in achieving economies of scale to make some infrastructure-based solutions viable in Tasmania, and the primacy this places on getting scales and locations right.

Stakeholders saw the same characteristics as providing an opportunity for Tasmania to forge an independent path and develop solutions that are unique to its needs. Examples of Tasmania's leading position and ability to adopt independent solutions include:

1. The decision by the City of Hobart to eradicate the use of single use plastic items and packaging in retail takeaway outlets
2. Enviroinex' innovative operations based in George Town, recovering commercial and industrial polymers from recycled plastic, to supply local and mainland customers
3. The Glenorchy Recovery Shop, as a leader in product and material reuse
4. Kingborough council's use of an aggregate comprising recycled materials to construct a road in partnership with RED Group, Close the Loop and Downer Group
5. City of Launceston's implementation of a food and garden organics processing facility and related kerbside collection service
6. Dulverton Waste Management's national leadership in landfill management, recognised through the WAMA Award for Landfill Excellence in 2017.

The challenges and leadership examples referenced above demonstrate an awareness of how Tasmania's features impact existing resource recovery models and drive the need to explore new solutions tailored to Tasmania's needs. They suggest that it would be appropriate for the statewide arrangement to consider circular economy principles as being core to its operations and a natural fit for Tasmania's circumstances. This is in addition to the statewide arrangement applying more established decision frameworks as represented by the waste hierarchy and the use of interventions to address market failures and drive competitive efficiencies.

Adopting these principles would compel the arrangement to take a systemic view of opportunities to achieve greater resource efficiencies across the economy, rather than being

narrowly focused on waste management and 'end of pipe' interventions. It will help ensure that some functions commonly perceived as being on the periphery of waste management – such as market development, sustainable procurement, and product design and distribution (as components of a wider product stewardship strategy) – will play a greater role where they bring clear benefits to the state and where they complement other functions.

A circular economy perspective may invite perspectives and activities for the arrangement to adopt, that may otherwise be hard to substantiate, such as:

- **A tighter focus on maximising benefits** by authorising the arrangement to work beyond 'end of pipe' solutions, being active across the Tasmanian economy as needed to yield the best results
- **Supporting regional development** by targeting collaboration with regional strategic and growth industries (e.g. food and beverage, tourism, healthcare, adventure sports), as suggested in the text box overleaf (drawing on regional development initiatives led by regional joint authorities)
- **Supporting council led innovations** such as assisting planning and design processes, and conducting research and preparing case studies to support the dissemination of information to other councils
- **Building effective partnerships** by exploiting the link between Tasmania's reputation for its unique environment and industries that benefit from this environment, and using the partnership to influence supply chains, customers, and other stakeholders.
- **Influencing projects of statewide importance** to include sustainable procurement and resource recovery measures that are partly supported by external (i.e. Commonwealth Government) funding, and build the local recovery sector.

#### **Recommendations:**

8. LGAT to note stakeholder support for, and the potential to pursue, a strong circular economy ambition through a statewide arrangement.
9. If supported, Part B of this study is recommended to further explore incorporating a strong circular economy ambition into a preferred statewide arrangement.

## Circular economy for regional development in Tasmania

The **Northern Tasmania Development Corporation** (NTDC) encompasses seven council areas in the northern region, and is responsible for developing the regional economy in line with the Northern Tasmania *Regional Economic Development Plan* (REDP). Targeted sectors to develop include: innovation, competitive manufacturing, health, education, food and agribusiness, tourism and the visitor economy.

The **Cradle Coast Authority's** (CCA) members include nine councils in the northwest of Tasmania. The CCA is charged with delivering on the Cradle Coast *Regional Futures Plan*, a plan for the region to capture economy opportunities and respond to challenges in the region. The plan has several sectoral priorities including: advanced manufacturing, agribusiness and aquaculture, forestry, renewable energy, health care and social assistance, and tourism.

To the project team's knowledge, a publicly available regional economic plan has not been developed for council members of the **Southern Tasmanian Councils Authority** (STCA). However, in all likelihood, each council in the region may have an economic development plan and an interest in supporting regional industries that are spread across multiple councils.

In adopting one or more circular economy partnership initiatives in the regions, the statewide arrangement could develop action plans to assist some of their stated priority sectors to adopt more innovative and sustainable practices within their operations, e.g.:

### *Food and agribusiness, tourism, health, education:*

Characterise organic and packaging material flows to confirm the opportunity to divert organics and packaging from landfill, and/or substitute non-renewable inputs at scale. This process would test whether the volume and grade of recoverable material meet a threshold to drive investment in additional recovery infrastructure for the region. Pending scale of opportunity, there may be the option for a grants program to fund trials, upgrades and process change-overs.

### *Food, manufacturing, and related distribution chains:*

Explore and promote the use of low impact packaging (reusable, easily recyclable/ compostable, high recycled content) in product packaging and distribution chains. Develop guidance and/or test cases for extending shelf life and durability of products without raising impacts of packaging. Potential to run research and development trials between industry and packaging suppliers.

### *Education, health, food and other sectors:*

Development of sustainable procurement guidance and case studies by sector, including challenges, successes and lessons. Particular focus on moving from single use items to reusable items, and preferencing the use of materials with high recycled content.

### *Sustainable agribusiness trials:*

Test and promote low impact farm techniques e.g. using soil conditioned with recovered nutrients, reusable / recoverable silage, minimal use of chemicals, responsible disposal practice.

### *Regional partnership and brand development:*

Develop regional partnerships with sectoral commitments to progress towards full adoption of circular economy practices. In return, partners gain branding and labelling across food/agribusiness, health, and hospitality sectors; cross-promotion with regional lifestyle and tourism events (e.g. mountain biking, food and wine trails, hiking); potential fast tracking of research and development project funding.

## 8. List of recommendations

1. An expanded statewide arrangement should in principle and practice, seek to maintain, provide for and leverage a minimum capacity and capability at the regional scale as a component to delivering on statewide goals. This may be achieved through supporting an agreed set of core functions within each region.
2. An expanded statewide arrangement should provide a minimum level of service and support to all Tasmanian councils, irrespective of their membership in a regional authority.
3. LGAT to note that the stakeholder engagement and analysis in Part A of this project supports the needs for and benefits of a Statewide Waste Management Arrangement, and that those benefits may be shared across state, regional and local levels.
4. LGAT to note the functions proposed in completing Part A of the feasibility study, as providing a statewide arrangement with a suitable scope of responsibilities to deliver the recognised benefits and address priority problems identified by stakeholders.
5. LGAT to support Part B of the project to further develop the purpose, role, functions and governance apparatus of the statewide arrangement as necessary for planning, co-ordinating and delivering statewide waste policies, strategies, programs and services.
6. LGAT to note that, should Tasmania fail to install and fund a comprehensive and ambitious statewide arrangement including functions as set out in this report, it is likely to miss out on the benefits that are propelling the other states into action.
7. LGAT to note funding allocations in other jurisdictions, adjusted to Tasmanian tonnages to landfill, equates to investing between \$6.4 and \$21 million in a Tasmanian statewide waste arrangement each year.
8. LGAT to note stakeholder support for, and the potential to pursue, a strong circular economy ambition through a statewide arrangement.
9. If supported, Part B of this study is recommended to further explore incorporating a strong circular economy ambition into a preferred statewide arrangement.